CAPITAL REGION REVIEW

Final Report of the Capital Region Review Panel

Appointed by the Province of Manitoba by Order-in-Council No.300/98.

Submitted to the Honourable Jean Friesen, Minister of Intergovernmental Affairs

December 1999

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December 20, 1999

The Honourable Jean Friesen,
Minister of Intergovernmental Affairs,
301 Legislative Building,
Winnipeg, MB

With this letter of transmittal, the Panel delivers its Final Report pursuant to the mandate contained in Order-in-Council No. 300/1998. This mandate is to review the effectiveness of the legislative, procedural and policy framework relating to planning and delivery of services in the Capital Region and to make recommendations to you as to changes in the framework which the Panel considers appropriate. This we do in this Final Report.

The Panel wishes to acknowledge the service of Kevin Kavanagh, the first Chair of the Panel, who retired February 17, 1999, and of Elizabeth Fleming who retired September 21, 1999.

The Panel also gratefully acknowledges the assistance of all those members of the public and their elected representatives who took the time and thought to appear at its public meetings and file briefs, and those who responded to our Interim Report. Some went the second mile by coming back and consulting with the Panel on specific issues. Although we could not give attribution in our Report to all of the many useful comments we received from interested citizens and organizations, they can be assured that we heard them and considered their perspectives.

We make special mention of the Capital Region Mayors and Reeves organization under the Chair of Reeve John Curry of the Municipality of Headingley. The Mayors and Reeves took time out of their busy schedules to meet with the Panel on several occasions and share their immense experience in municipal government. John Curry's leadership was a great resource; his untimely death late last month has affected us all.

/..2

On the administrative side, we recognize our Executive Director, Bryan Gray, for his supervision and advice; Andrew Cowan for his assistance and advice in putting our Reports together; and Glen Doney, for his research. We also thank the firm of Thompson Dorfman Sweatman for providing meeting rooms and administering to our other needs in the course of our twice weekly meetings, all at no cost to the Panel.

Among our outside consultants, we particularly valued the advice of Representative Myron Orfield of the Minnesota Legislature, through his Metropolitan Institute of Minneapolis, and Richard Rounds, Professor of Rural Development at the University of Brandon. Rae Tallin, former Government of Manitoba legislative counsel, has been of great help in drafting the Regional Associations Act which is part of our recommendations. In other fields of expertise, we found citizens voluntarily offering their advice.

Documents which the Panel considered but which were not included in our reports, will be available on the Panel's website and at its offices.

The Panel appreciates the fact that the Ministers of the Provincial Government of Manitoba have been both supportive, and at the same time respectful of the Panel's independence.

This Report is our contribution to the next generation of citizens in the Capital Region. We have done our best to make it balanced and user friendly, and trust that, over the years, it will be so recognized.

André Chaput

David Hicks

Betty Lindsay

Alan Scarth, Chair

THE STRUCTURE OF THIS REPORT

Our Mandate

"to undertake a review and make recommendations to the government, through the (Minister of Intergovernmental Affairs), respecting the effectiveness of the existing legislative, policy and procedural framework guiding land use planning and development, and the provision of services in the municipalities in the Capital Region".

Part 1 Inventory of Regional Resources and Opinion

The Panel presents the Inventory of Resources and Opinion in the Capital Region which was originally published on July 15, 1999, as its Interim Report.

Part 2 Findings

The Panel summarizes the evidence it heard on the basis of which it found that the legislative, policy and procedural framework in the Capital Region, which it was directed to review, is not entirely effective.

Part 3 The Existing Manitoba Framework

The Panel then examines the existing legislative, policy and procedural framework itself. It describes how in many respects this framework is not adequate to enable municipalities to serve their growing regional needs. It also notes the many inconsistencies between the framework provisions applicable to the City of Winnipeg, and those applicable to other municipalities.

Part 4 Regional Frameworks Elsewhere

The Panel looks elsewhere for guidance so that we will not be reinventing the regional wheel here in Manitoba. It selects and presents a range of legislative, policy and procedural provisions in Canada and the United States which it thinks will be of interest to those who have responsibility for regional issues here.

Part 5 Recommendations

In Part 5 the Panel first provides a rationale for its recommendations. It then makes its primary recommendation, that the Province of Manitoba provide a legislative framework for regional associations of municipal governments; this is presented in the form of a proposed statute, *The Regional Associations Act* (Appendix A, p.77). The Panel concludes by suggesting some changes in Provincial focus on regional needs.

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Part 1

AN INVENTORY OF REGIONAL RESOURCES AND OPINION

Published July 15, 1999 as the Panel's Interim Report.
This Part is available on CD Rom. To order write to:
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Mandate

"to undertake a review and make recommendations to the government, through the Ministers of Urban Affairs and Rural Development, respecting the effectiveness of the existing legislative, policy and procedural framework guiding land use planning and development, and the provision of services in the municipalities in the Capital Region."

1.1 MANDATE

The Panel received this mandate from the Lieutenant Governor in Council by Order in Council No. 300/1998, dated June 3, 1998.

The Panel has undertaken to deliver its Final Report by December 31, 1999.

Mandate

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1.1 MANDATE

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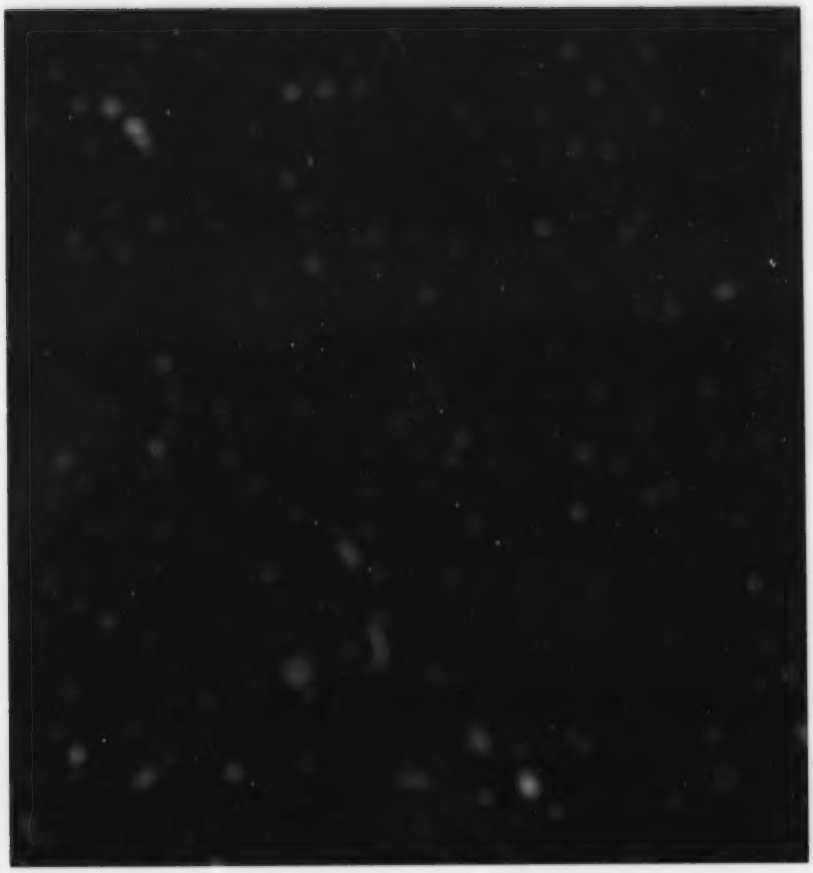
1.2 PROFILE OF THE REGION

The Manitoba Capital Region is a relatively new concept, and many people are not familiar with its boundaries, its component municipalities, towns and cities, and its wide range of resources.

If the Region is to market its strengths and opportunities to the rest of the Province, North America, and the world business community, this information must be gathered and made computer accessible.

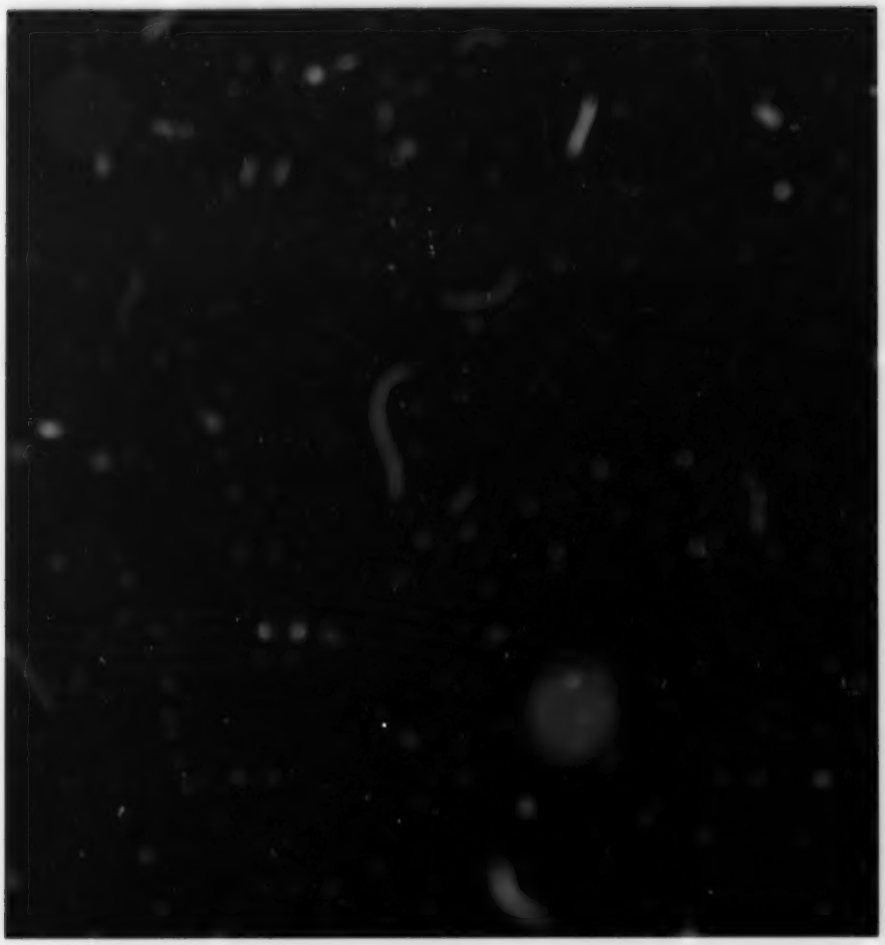
We begin with this satellite image land use map.



1.2.1 Our Benchmark Image

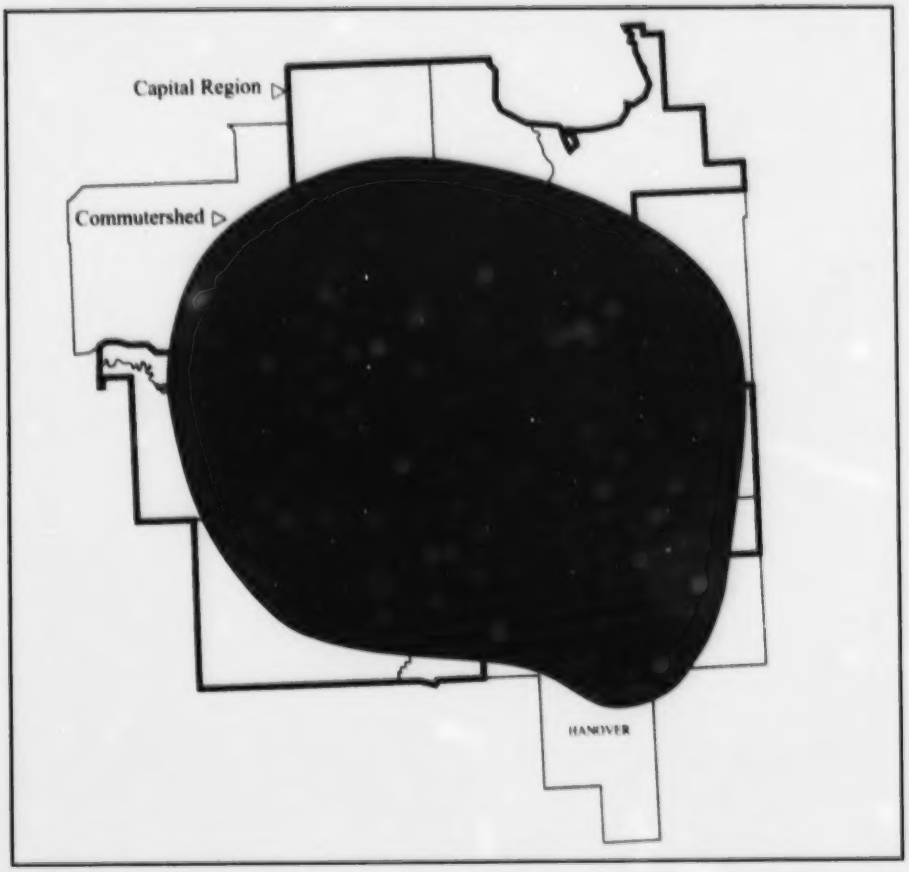
As our benchmark image of the Region we have commissioned this picture, which has been produced from satellite images recorded in October 1998. These images have been corrected using a Geographic Positioning System. This resultant "orthophotograph" shows objects down to 5 metres in size, accurately positioned within 1 metre. It is a potential base for a regional Web site with zoom capacity.

In the interest of promoting regional awareness, prints of this orthophoto are being supplied to all municipal and city offices in the Region. (The orthophoto is at such a scale in this printed Report that it is hard to read, but the projected image makes all detail visible).



1.2.2 Boundaries of the Region

The municipalities, towns and cities in the Region are shown here superimposed on the benchmark orthophoto. The regional boundaries were developed so as to include citizens with a common interest in the Region.



1.2.2.1 Another Regional Definition: The Commutershed

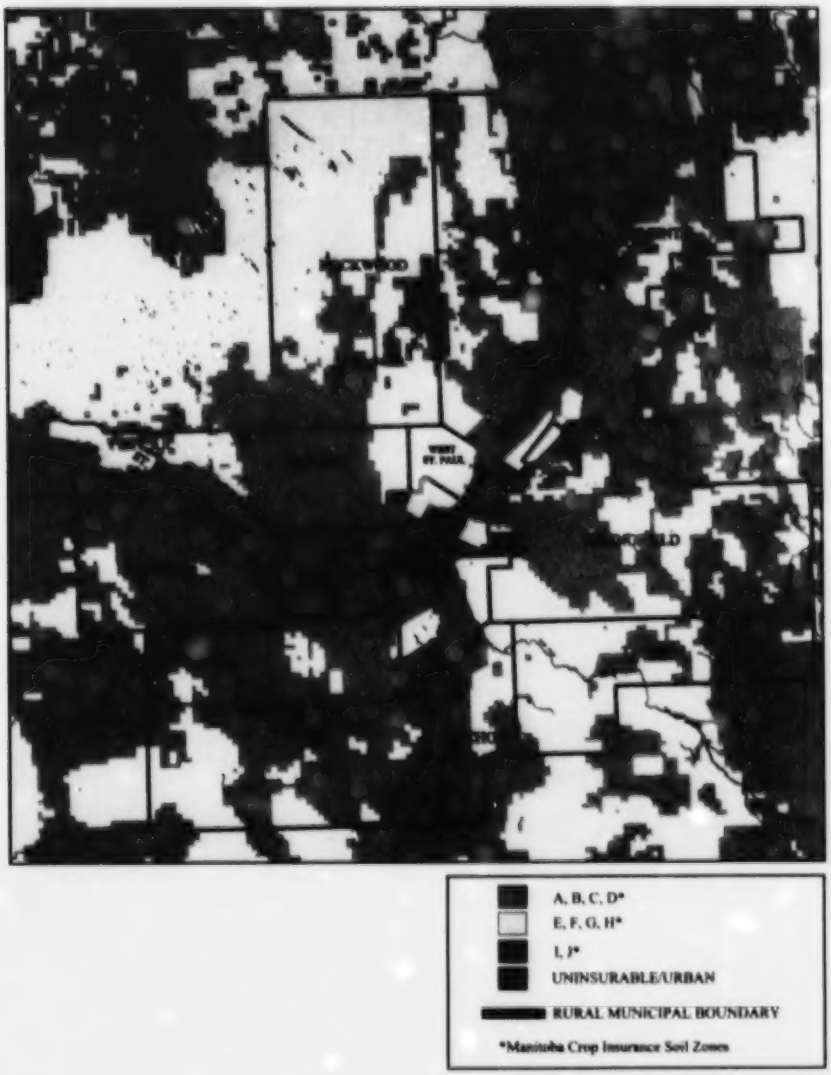
Regions are defined by common usage as much as by political boundaries.

The shaded area on this picture shows our regional commutershed. Within this circle are the residences of most of the 26,000 commuters who drive into Winnipeg to go to work each morning. This area might be said to be a practical definition of the Region (more on commutershed at 1.3.3, p. 28).

1.2.3 Land Use

This map shows colour-coded land use categories, including agriculture, pasture, forage, trees, water, marsh, rock/gravel/sand, roads, and cultural features such as housing and industry.

This map was produced by interpreting 1994 satellite images. It would be useful to produce maps like this in a time sequence into the future to monitor changes in regional land use.

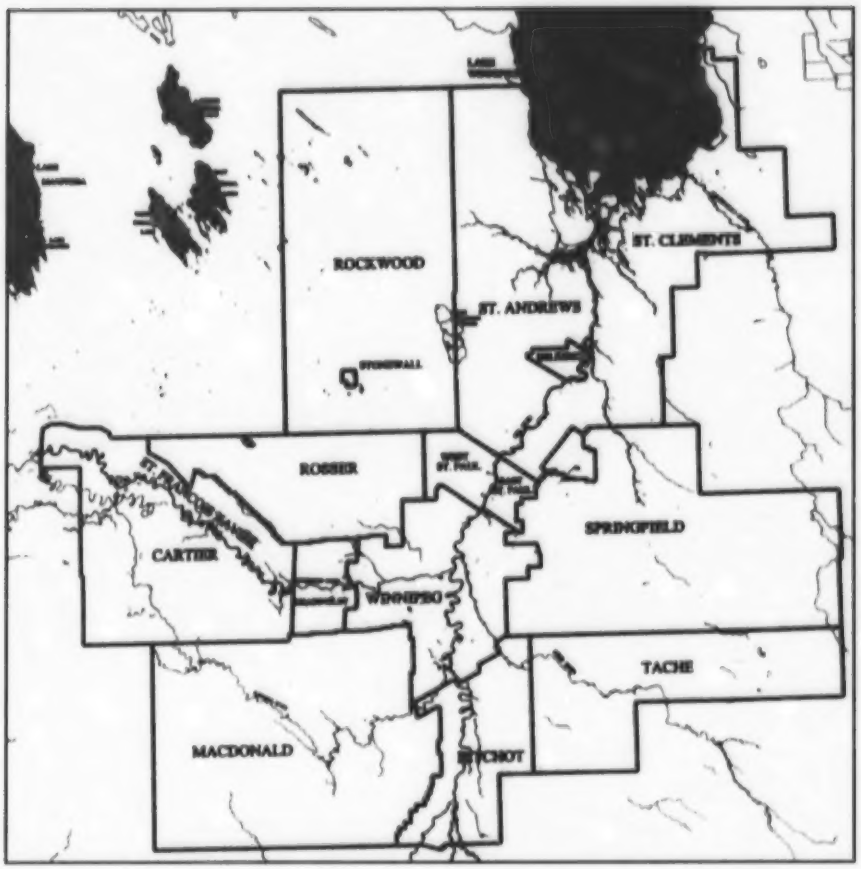


* "A" is described as having the "Highest Productivity Potential" for major agricultural crops, and "J" the lowest.

1.2.4 Resources

1.2.4.1 Soil Classification

This current soil classification map is based on Manitoba Crop Insurance categories. Sustainable land use decisions begin with a consideration of the soil and its potential.

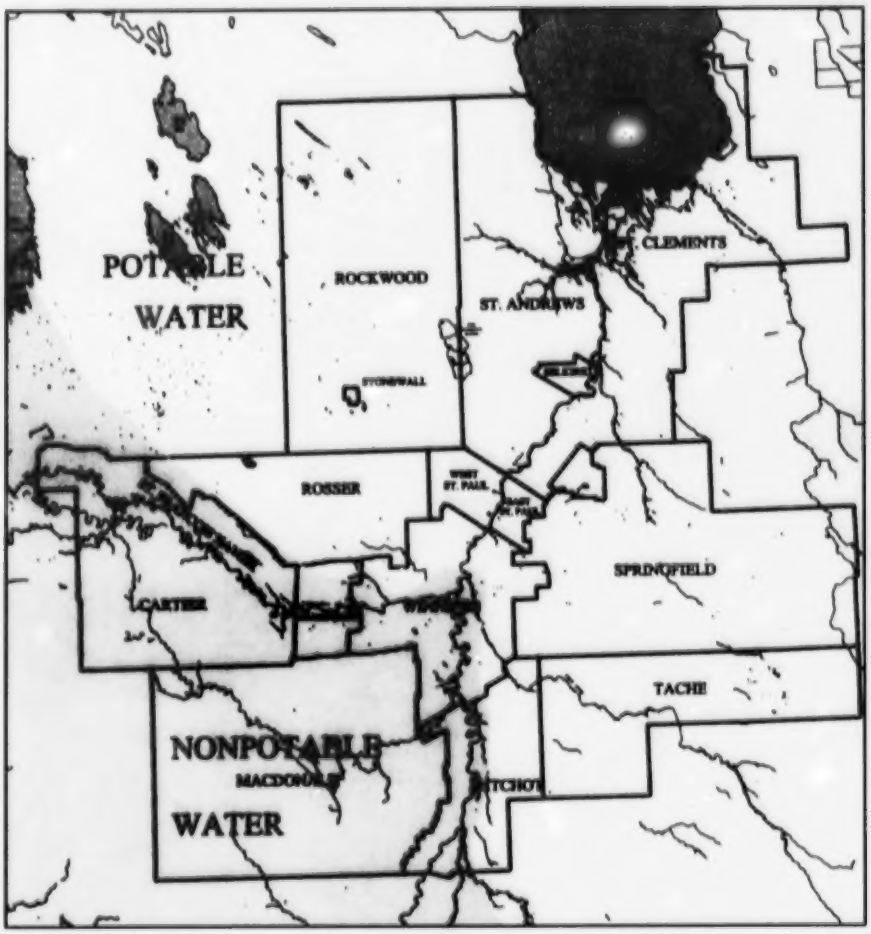


1.2.4.2 Rivers and Surface Water

Lakes, rivers, and streams are shown above. The Red and Assiniboine rivers were the original regional transport routes, until superseded by rail. Recreational boating and fishing continue.

Some areas of the Region use rivers for water supply. Processed sewage effluent is also disposed of in the rivers.

WINNIPEG
in 1880
Population 10,000

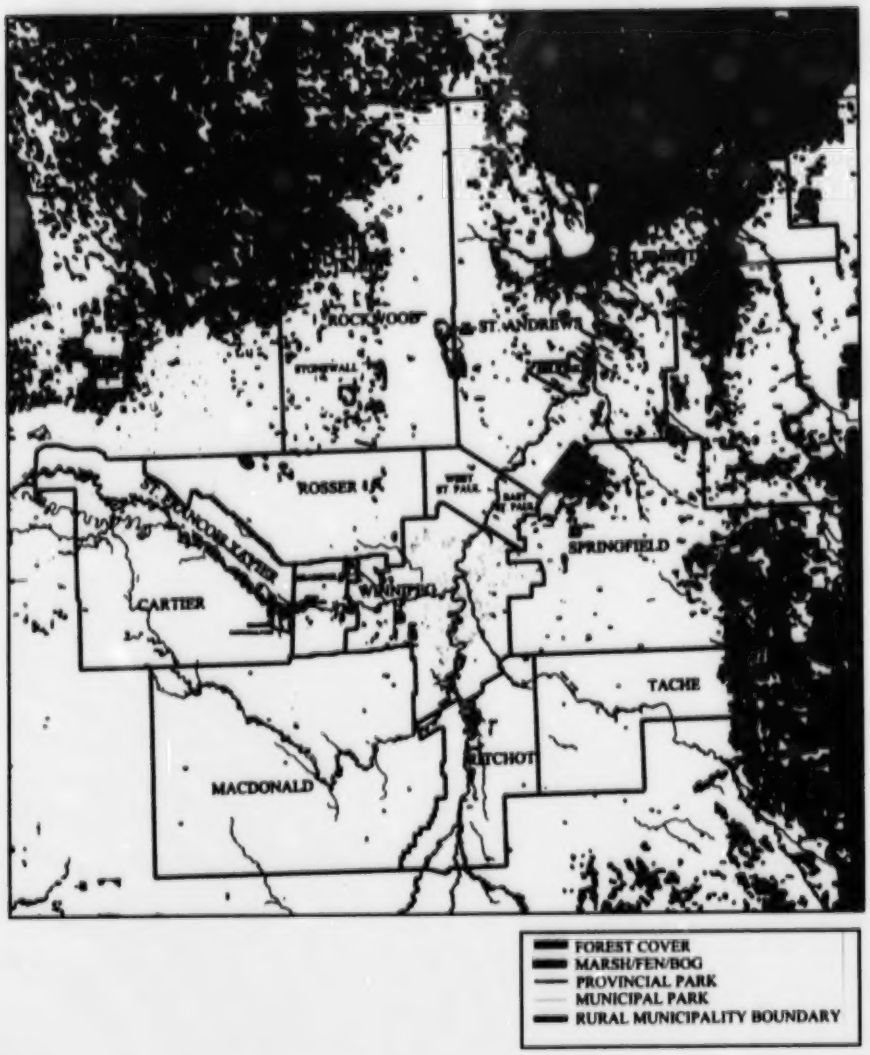


1.2.4.3 Aquifers

The major aquifers underlying the Region are shown above. The Region is fortunate in having good well water available over a large part of this area. This resource, to be sustainable, must be protected from pollution and be thriftily used. Water imported into the Region by the City of Winnipeg from Shoal Lake, Ontario, protects these aquifers from over-use.

If climate change predictions are right, groundwater may be reduced in the coming century, and the aquifers may need more careful management.

Regional Landscape

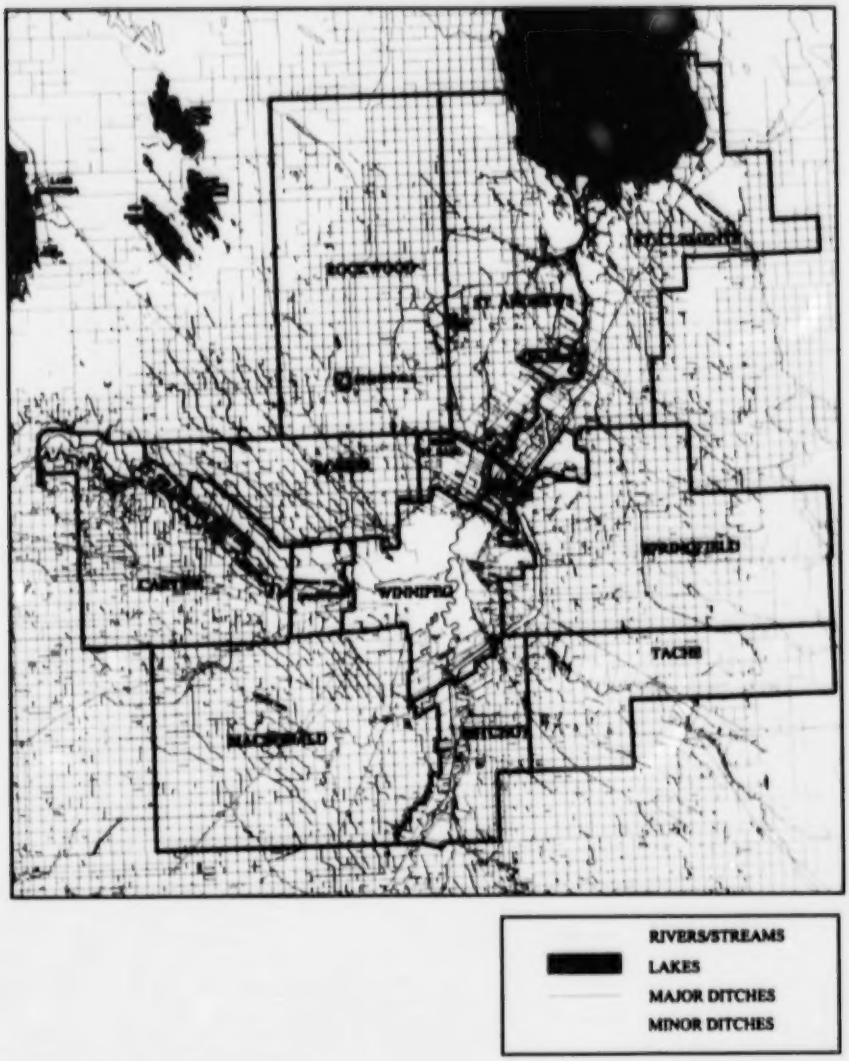


1.2.4.4 Greenspace and Wetlands

The Region has a valuable inventory of greenspace. The Fort Whyte Centre is currently protecting a green corridor connecting the Centre to Assiniboine Forest.

Similar initiatives like the Oak Hammock Marsh preservation, and our many parks and golf courses, are helping to keep the Region green.

Wetlands are under pressure from housing, industrial and agricultural development, and are also potentially vulnerable to climate change.



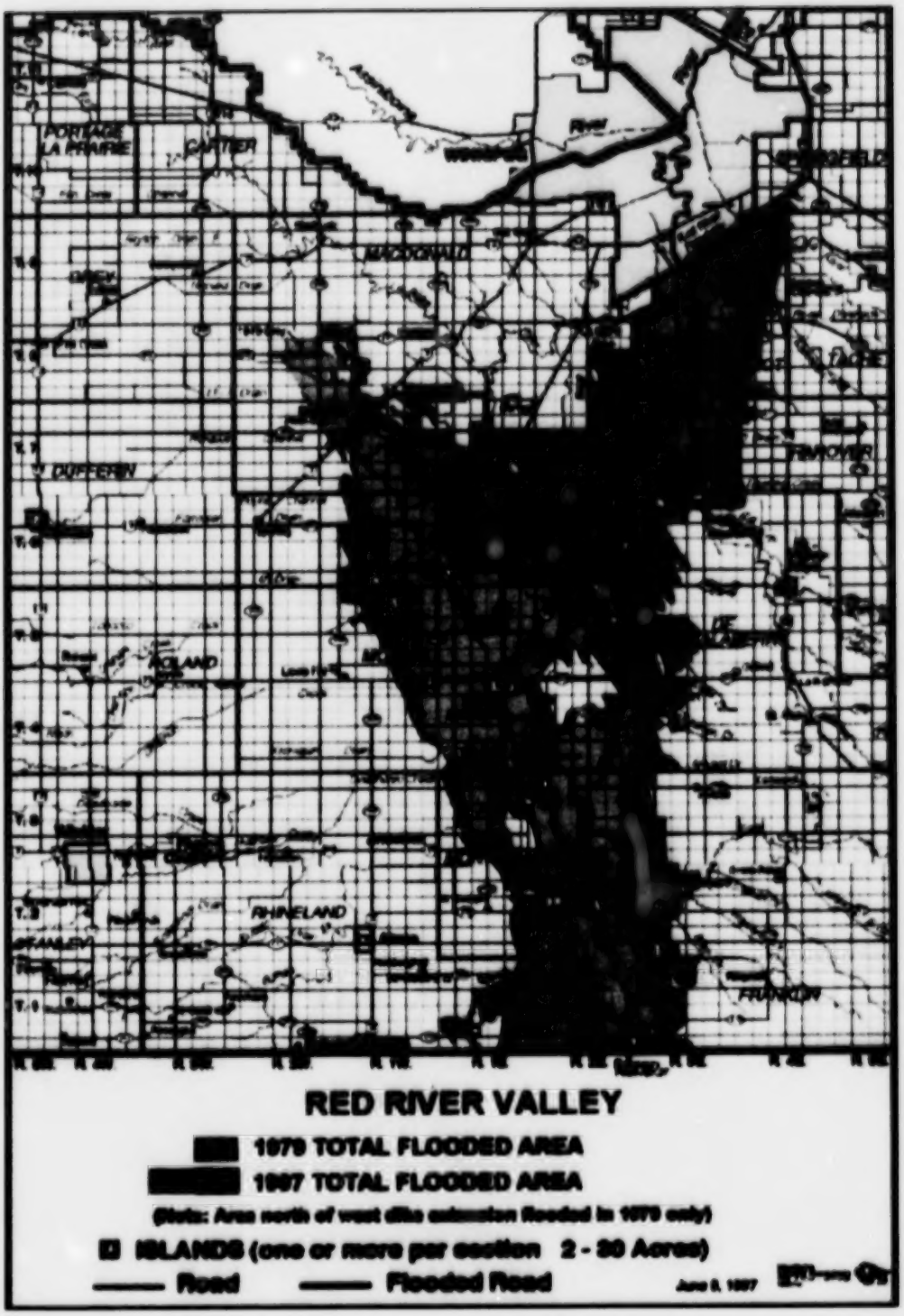
1.2.5 Infrastructure

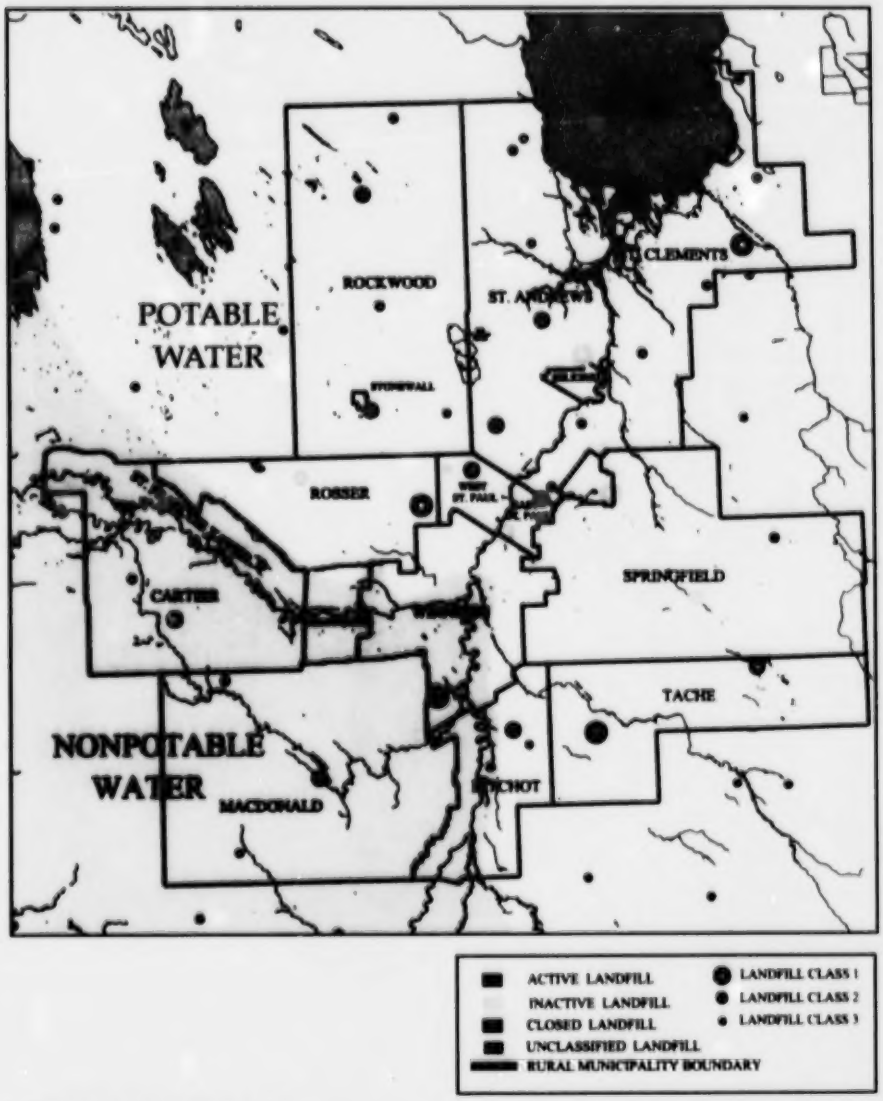
1.2.5.1 Drainage Systems

The Region is relatively flat so good drainage is essential.

Drainage across municipal boundaries is illustrated by showing major drains and ditches.

The 1997 image of the Red River flooded area on the following page reminds us that floods in the Red River Valley have been a problem and of the importance of flood control measures now under review.

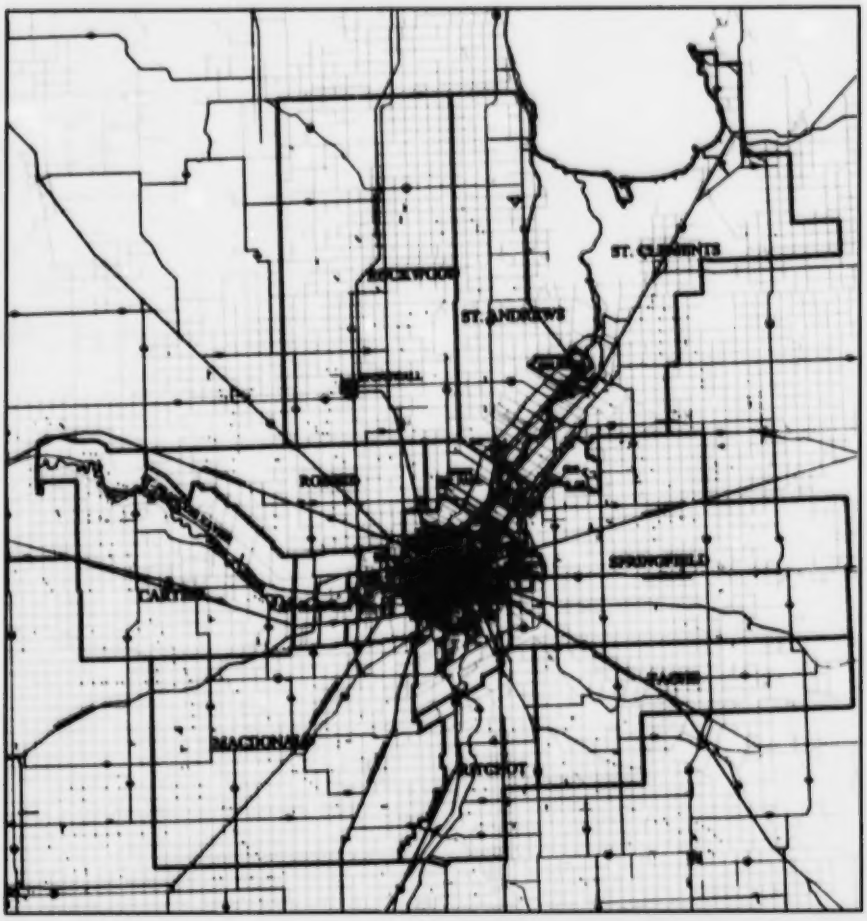

PORTAGE LA PRAIRE
CARTIER
WINNIPEG
RIVER
MACDONALD
DUFFERIN
ROLAND
RHINELAND
TIMOTHY
FRANKLIN
RED RIVER VALLEY
1979 TOTAL FLOODED AREA
1997 TOTAL FLOODED AREA
(Note: Area north of west dike extension flooded in 1979 only)
ISLANDS (one or more per section 2 - 30 Acres)
Road
Flooded Road
June 9, 1997



1.2.5.2 Landfills

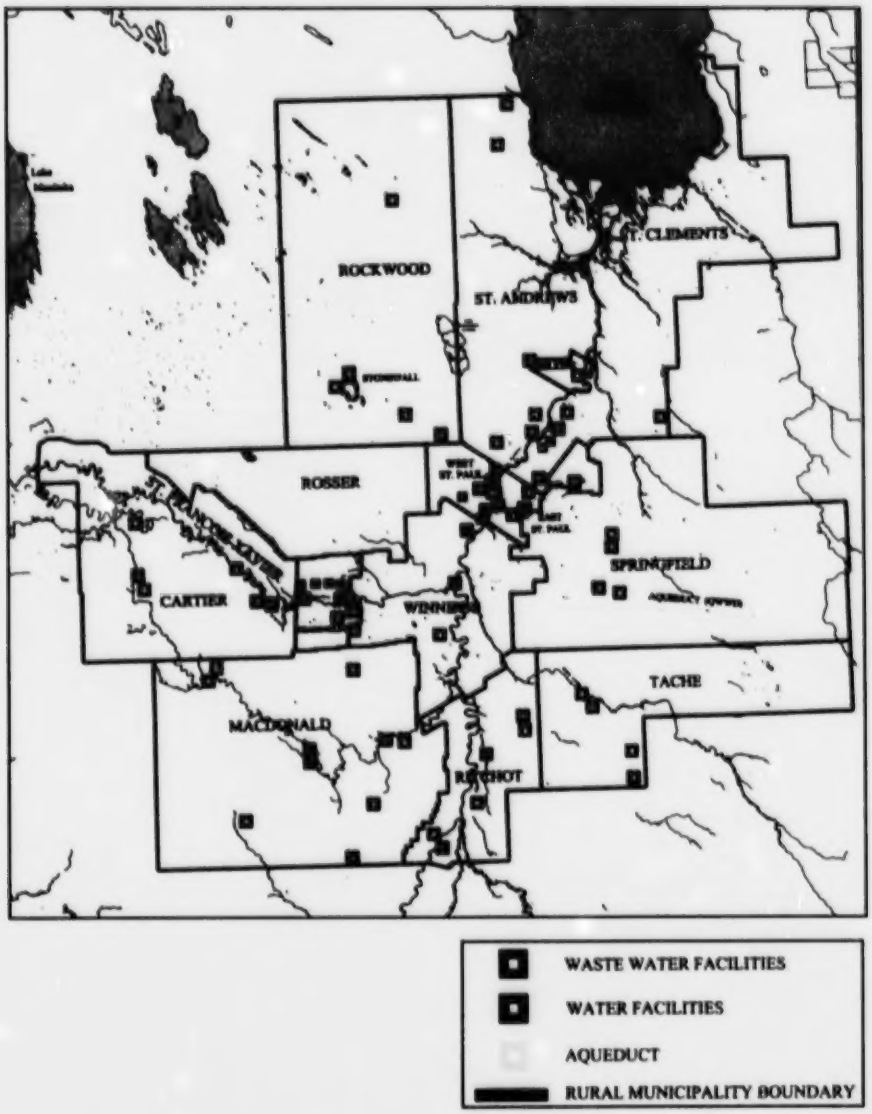
Landfills in the Region are shown in relation to our aquifers.

It is important to prevent our landfills from damaging our aquifers.



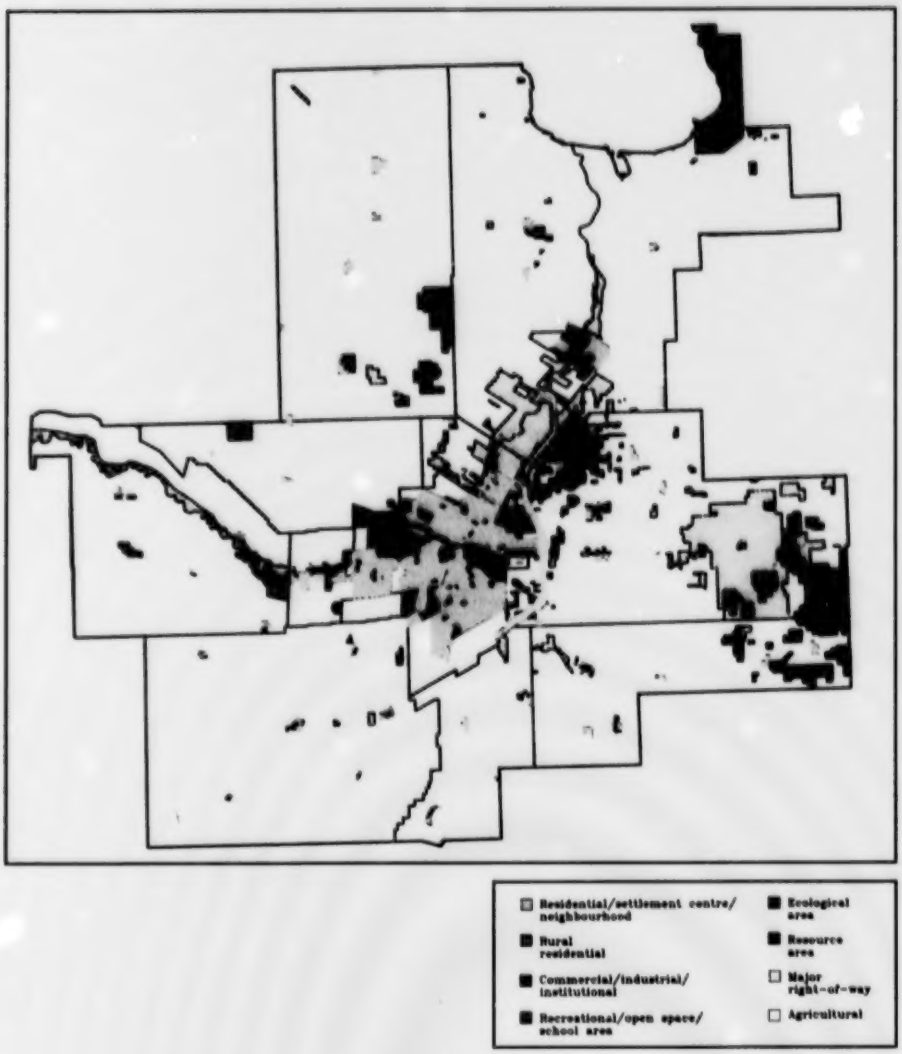
1.2.5.3 Transportation

The Region is served by this network of highways, roads, railways and airports.



1.2.5.4 Sewer and Water Systems

Municipal piped water and sewer systems are generally limited to urbanized areas and settlement centres. The Municipalities of Macdonald, Cartier, Headingley, and St. Francois Xavier, in the non-potable aquifer area, are or will be offering hook ups in rural areas.

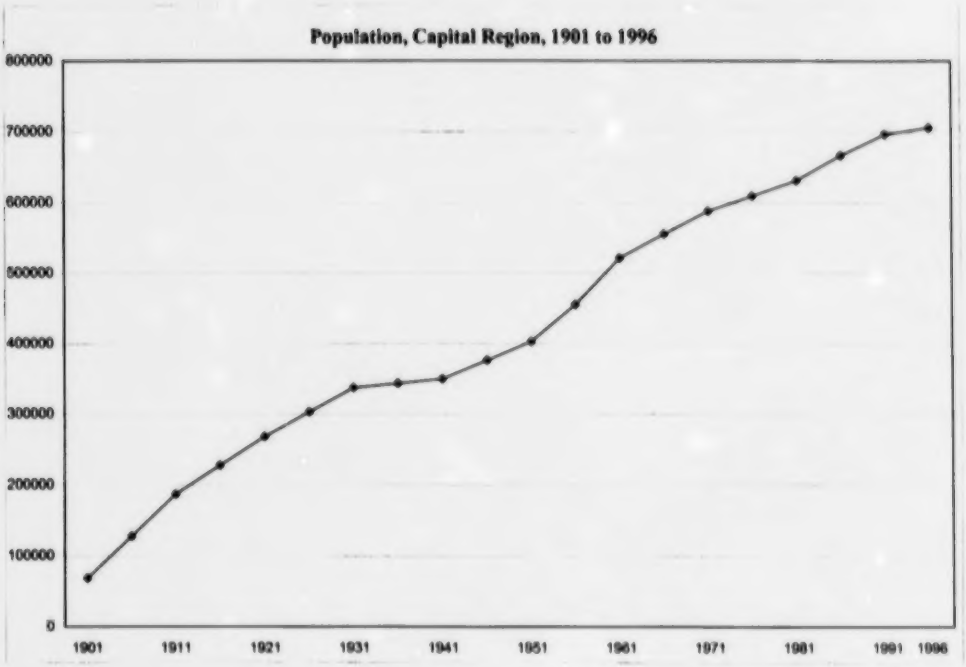


1.2.6 Regional Development Policies

Each municipality in the Region has its own development plan. Plans are required to be based on the Provincial Land Use Policies, which are intended to promote Manitoba's Sustainable Development Principles and Guidelines.

We have brought together the development policy areas in each of the municipalities, towns and cities and present them on this composite map. (Springfield policy areas shown have been proposed but not yet approved.)

Agricultural policy and zoning criteria vary from municipality to municipality. Compare this map with the actual regional distribution of growth (map 1.3.2, p. 26).



1.2.7 Demographics

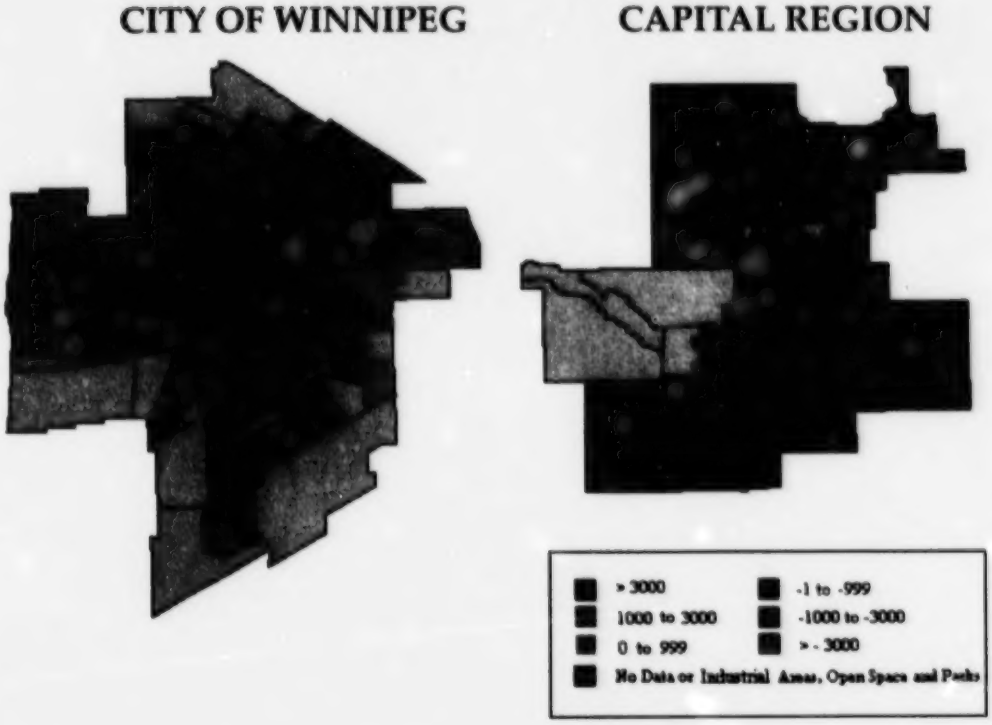
1.2.7.1 Population in the Region

This graph shows the population in the Region at census dates in the years 1901 to 1996.

The graph highlights the lack of recent growth of regional population. Behind this is the question of where, within the Region, growth has been and will be occurring.

Although the Region received the bulk of its immigration during the early 1900's, there were other influxes during the 1920's and post World War I period.

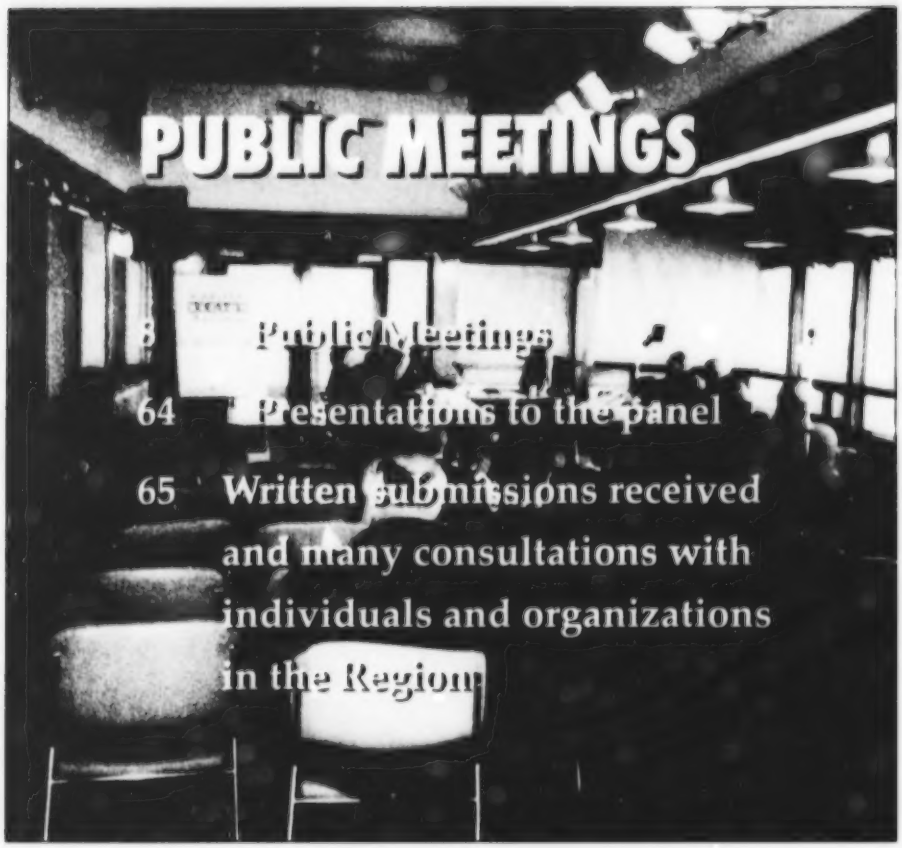
CAPITAL REGION POPULATION GROWTH
1971 - 1996



1.2.7.2 Distribution and Movement

Unlike many more developed regions, a high percentage - about 87% - of the Region's population is within the jurisdiction of one city government, Winnipeg.

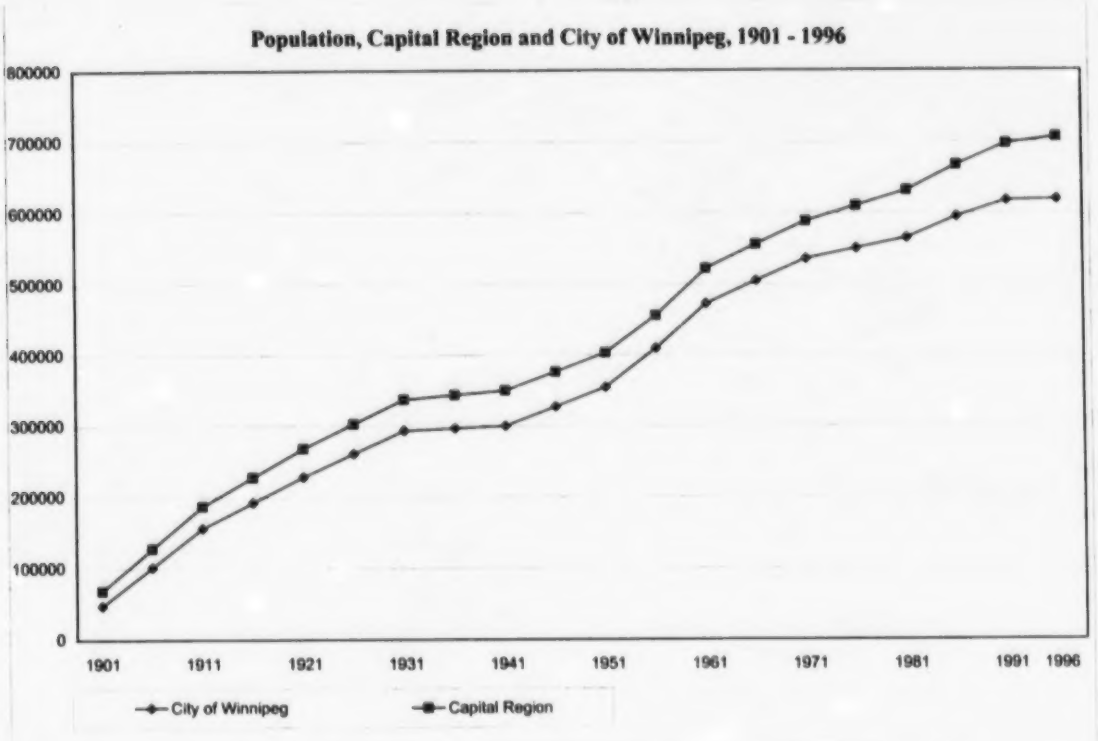
Changes of population within Winnipeg and within the Region are shown on this map.



1.3 OPINION IN THE REGION

In this Interim Report, we offer our sense of what people in the Region are thinking.

The Panel has been listening with care and objectivity. Each of our Panel members has undertaken this Review at some costs to other pursuits in life, and we want our findings to genuinely reflect public interest. The Manitoba Government has provided a global budget to fund our work, but has respected our independence.

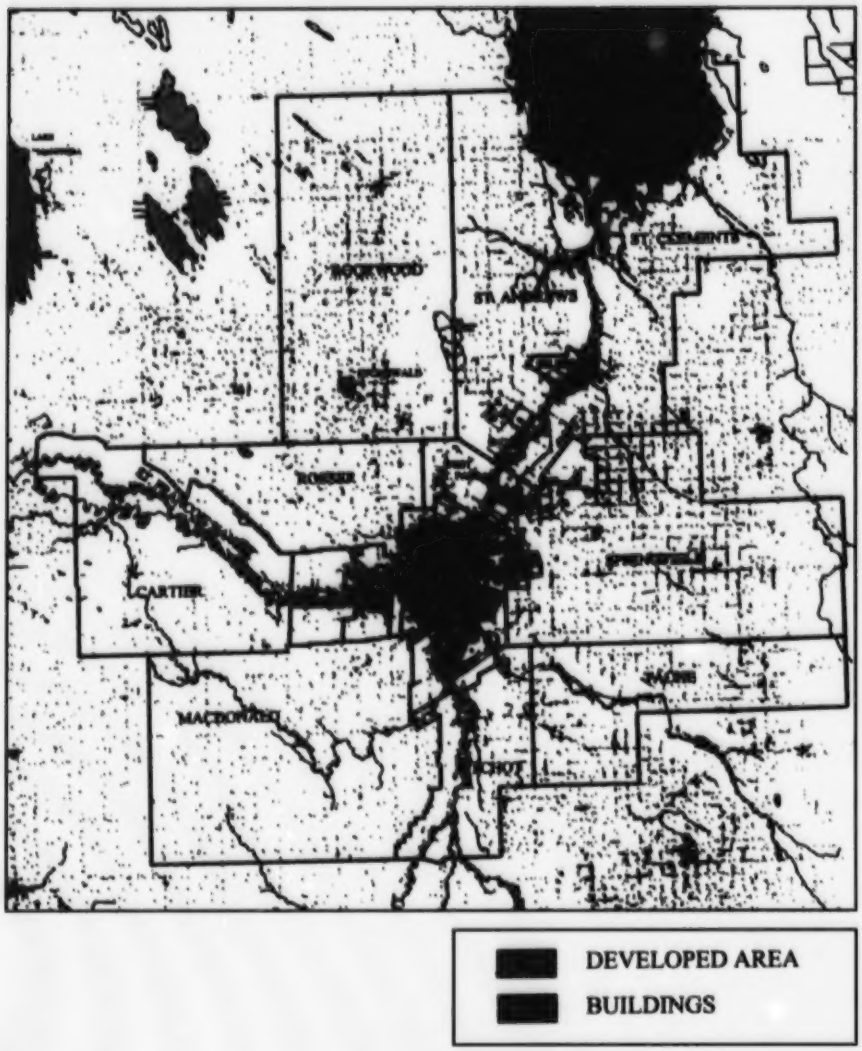


1.3.1 Population

The Panel is directed to examine planning and services, but as one Councillor said, "we have to plan around demographics."

Although the total population in the Region has not increased greatly in recent years, most Capital Region municipalities are looking for more population growth and economic development. Winnipeg's Mayor has set a significant growth target for Winnipeg. Business is looking for immigrants to fill job openings.

It is therefore prudent that our plans provide for greater population growth in the next 10 years than we have seen in the last 10 years.



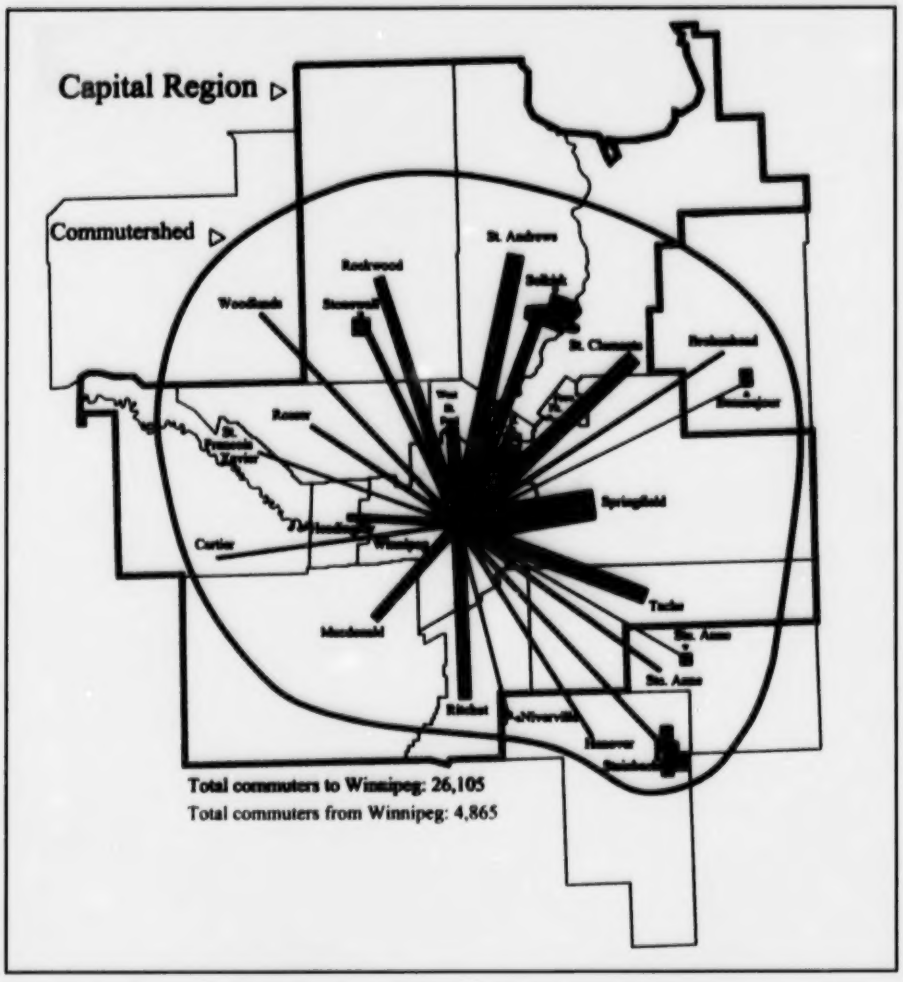
1.3.2 Regional Distribution of Growth

While most agree that overall regional growth is desirable, there is disagreement about where that growth should occur.

Municipalities seem generally to concur that residential development policy should accommodate lifestyle preferences. At the same time, many comments to the Panel expressed concern that the location of new development not be allowed to conflict with regional environmental resources like our groundwater or with agricultural practices. Others stressed that the cost of the new infrastructure needed to serve outward migration from the centre should be weighed against the efficient use of existing infrastructure capacity.

Some argued that continued development outside the City of Winnipeg and the Region's existing settlement centres would risk erosion of the lifestyle enjoyed by current rural residents, and would lead to demand for more costly levels of service.

Disraeli Freeway, Winnipeg

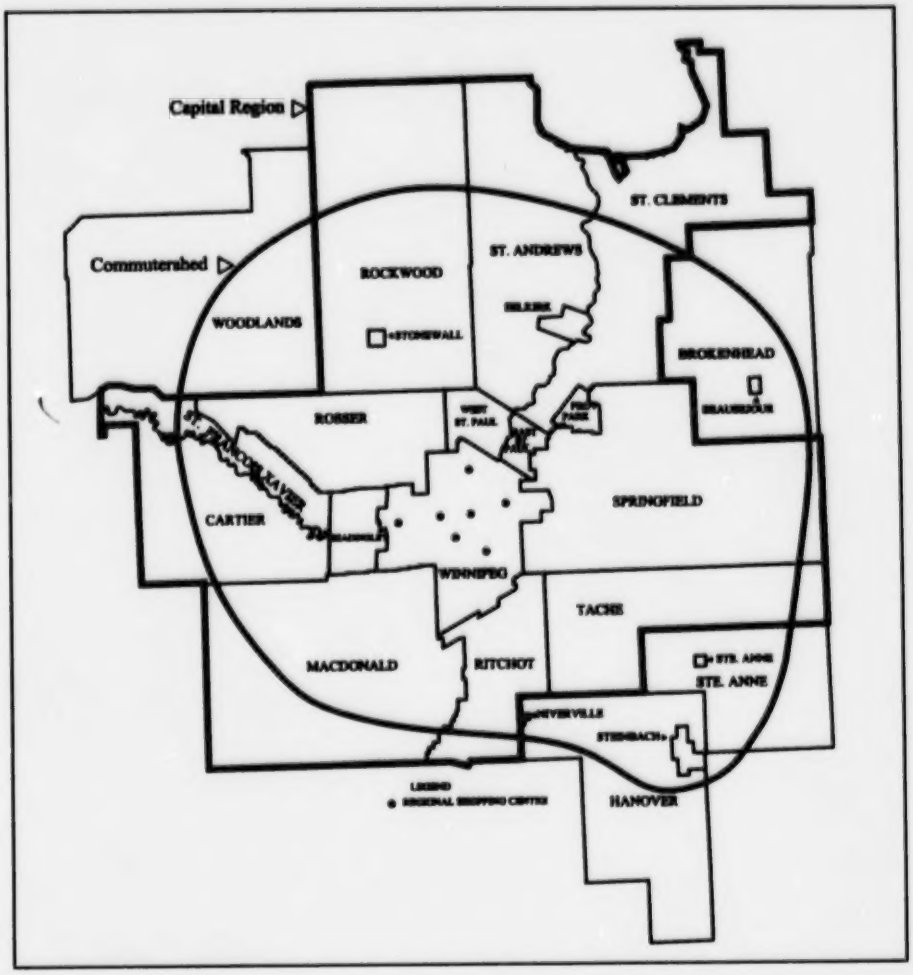


1.3.3 The Commuters

There has been migration outward from the centre of Winnipeg. Many of these people moved to Winnipeg's suburbs, but some went to bedroom towns and municipalities outside of Winnipeg.

Many of these people commute to Winnipeg to work. Our estimate of the net number of ingoing commuters (after subtracting outgoing commuters) is approximately 21,000.

Opinion is divided on the factors driving this outward migration. Some say the majority are looking for a semi-rural lifestyle, with more land. Some point to lower municipal taxes, assisted by provincial subsidies, as a contributing factor.



1.3.3.1 The Debate Over Commuter Cash Flows

The Commuter Family Budget: Some say lower municipal taxes make commuting economically attractive. Others say the cost of driving the extra distance more than offsets the lower taxes.

Where The Commuters Spend: Almost all of the Region's major shopping malls and big box retailers are in Winnipeg. Most car dealers are also in Winnipeg, with Steinbach as the major exception. Cultural events are mostly staged in Winnipeg. It is said that much of the cash flow from the perimeter communities benefits Winnipeg businesses, but the net effect on the Winnipeg tax base remains arguable.

A Sterile Debate: Many say that they are tired of this argument between neighbours, and want to talk about healthy regional growth.

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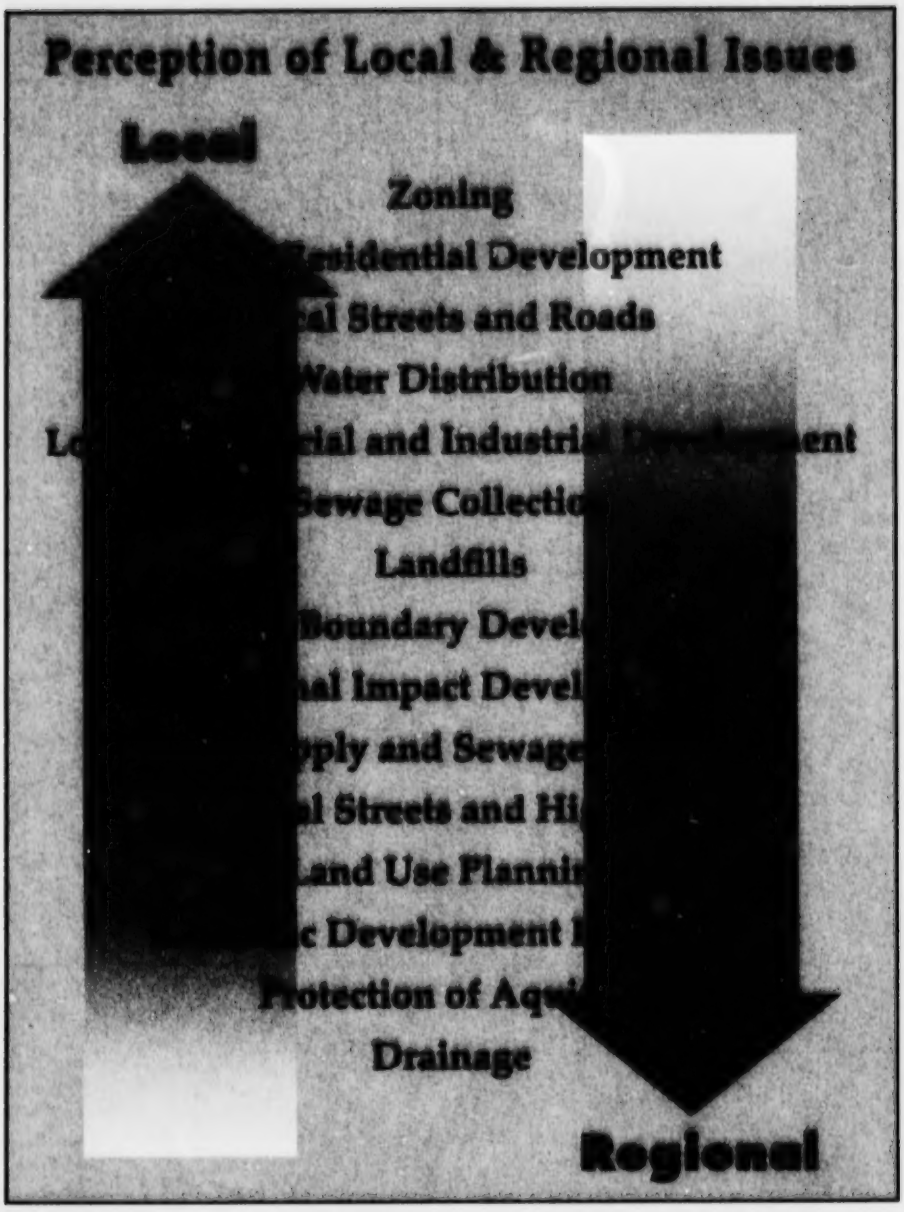
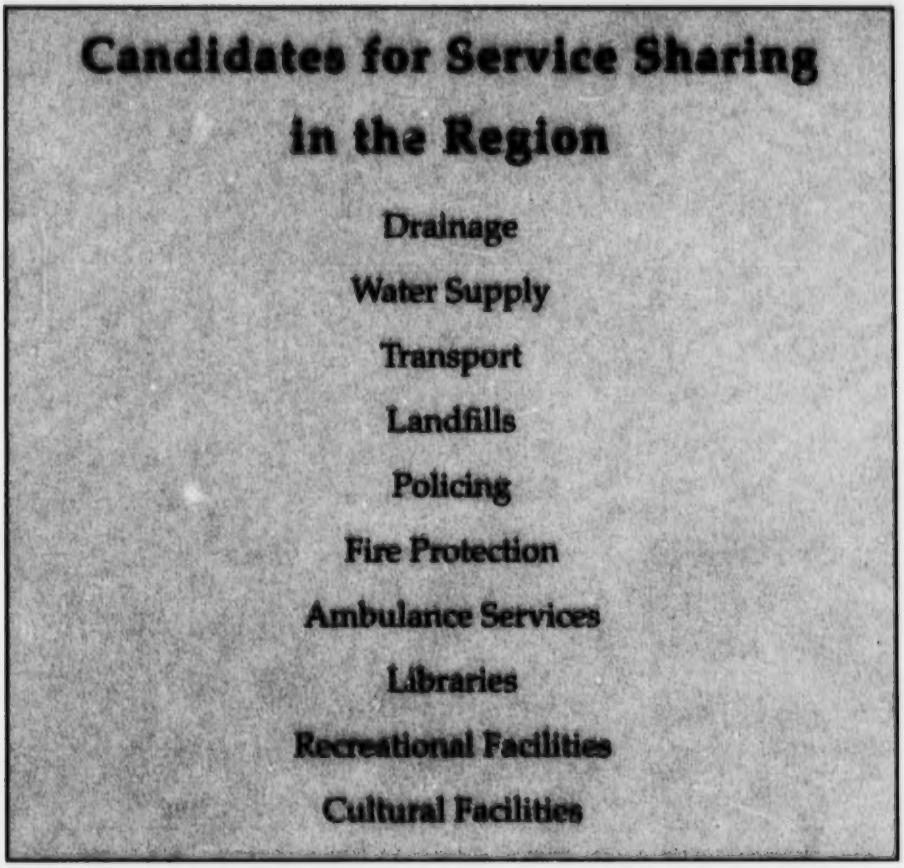


1.3.4 Planning Locally and Regionally

There seems to be a general consensus that some development, like local housing, is best planned locally, and some development, like drainage, is best planned regionally. In between these two ends of the spectrum, the question becomes: "What degree of regional impact should trigger regional strategic planning?"

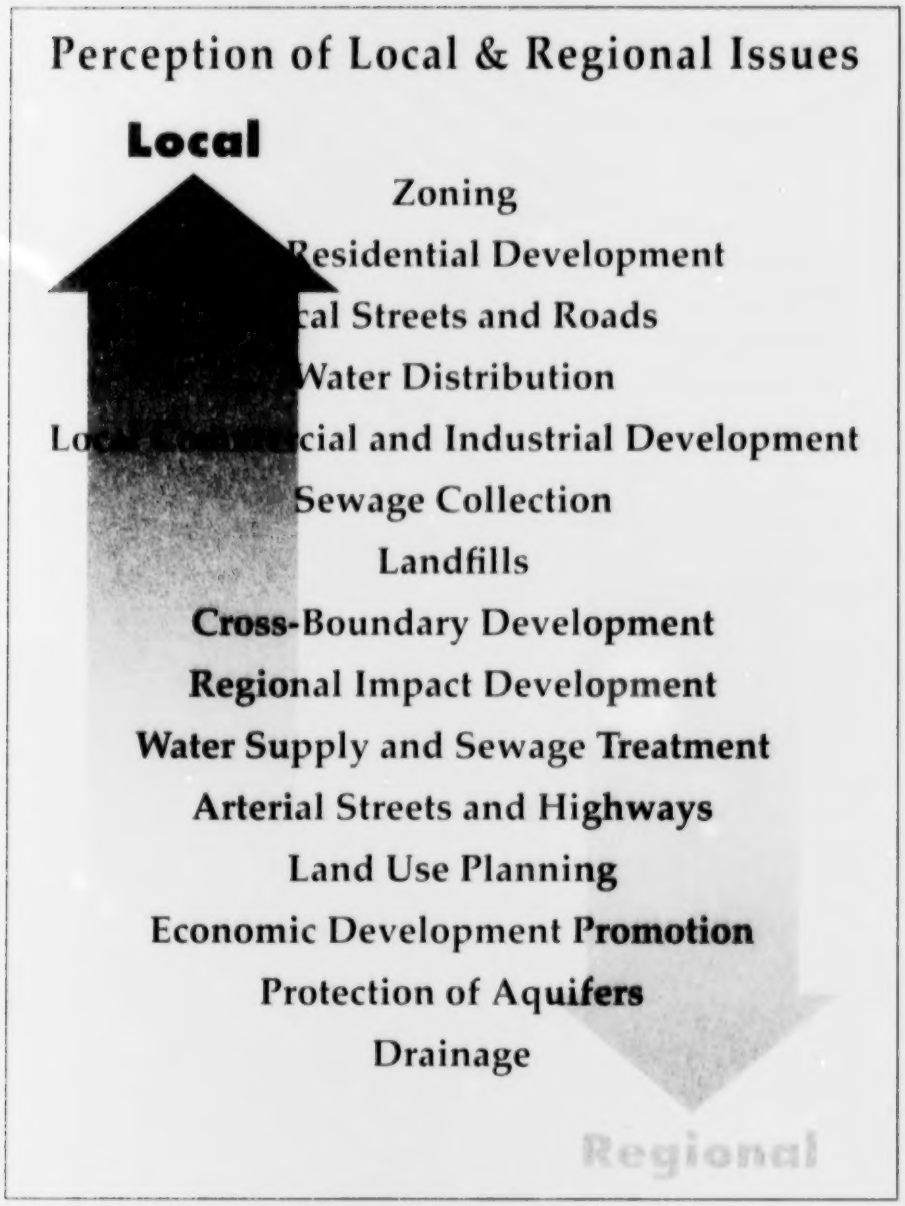


1.3.5 Service Sharing

Assuming increased demand for services in the Region, the logic of sharing or integration of service delivery is evident; however, there is a perception that the City of Winnipeg, in many cases the logical delivery agent, is a high-cost provider. Also, Winnipeg standards of service may not be applicable.

In the absence of uniform full cost accounting systems throughout the Region, a "fair price" for service delivery is difficult to calculate. The issue is seen as a major impediment to future integration of service delivery.

Winnipeg is developing a system for service-based budgeting. If generally adopted, this should identify the actual cost of services.



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Candidates for Service Sharing in the Region

Drainage

Water Supply

Transport

Landfills

Policing

Fire Protection

Ambulance Services

Libraries

Recreational Facilities

Cultural Facilities

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Regional Objectives Suggested to the Panel

Coordinated Drainage and Flood Control

Assured Long-Term Water Supply

Conservation of Good Arable Land

Safe Landfills

Integrated Regional Transport

Mechanism for Allocation of Costs and Revenues

Comprehensive Regional Information Base

Directed Immigration to Meet Industry Needs

Healthy Winnipeg Core

Forum for Private and Public Initiatives

Uniform Full Cost Accounting Systems

Cost-Effective Use of Existing Infrastructure

Encouragement of User-Pay Service

Mediation of Outward Migration Issues

1.4 ADVANCING REGIONAL THINKING

1.4.1 Regional Objectives

We have compiled this list of potential regional objectives suggested to the Panel in the course of our hearings and discussions.

In its range and diversity it reflects individual perspectives of the regional agenda.

The question arises how a regional agency can further these objectives.

Rationale for a Regional Agency

Ensuring that Planning has a Regional Focus

Promoting Healthy Growth within the Region

Promoting Transparent, Full Cost Accounting

Reducing Cost of Service Delivery

Mediating Issues of Growth and Cost and Revenue Allocation

Raising Regional Awareness

1.4.2 Rationale for a Regional Agency

Planning: Municipal and district planning processes are available, but they have not been focussed on regional impacts.

Growth: Where growth occurs is a regional issue and requires regional discussion.

Financial Systems: No balanced judgement can be made about regional service costs until all inputs, including subsidies, are recognized.

Service Delivery: Once we are all reading from the same financial page, the door is open to establish appropriate service standards and to share services.

Mediation: A forum is needed to negotiate growth management and allocation of costs and revenues.

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Functions of a Regional Agency

Information and Research

Resource Agency for Governments and Citizens

Opportunities in the Region for Employment and Immigration

Available Development Sites in the Region

Continuing Research of Regional Issues

Web Site Making all this Information Easily Accessible Inside and Outside the Region

1.5 FUNCTIONS OF A REGIONAL AGENCY

1.5.1 Information and Research

Often the first question asked about the Manitoba Capital Region was: "What is it?"

In this Interim Report our Panel has assembled some basic information about the Region: boundaries, land use, resources, infrastructure development policies and demographics, but providing complete information on a current basis is a logical function for a regional agency.

Functions of a Regional Agency

Strategic Planning for Regional Impact Developments

Drainage

Aquifer Use

Landfills

Cross Boundary Development

Projects with Major Regional Transport Requirements

1.5.2 Strategic Planning

When development policy or projects proposed in any municipal jurisdiction in the Region will have significant individual or cumulative impact on other jurisdictions, strategic regional planning is logical.

A process is required to measure the regional impact and to decide when a project deserves regional review.

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Functions of a Regional Agency

Services

Promote the Adoption of Service-based Accounting to Show Full Cost of Services

Mediate Shared Service Agreements for Allocation of Costs and Revenues of Regional Impact Development

Facilitate Cooperation with Provincial and Federal Governments

1.5.3 Services

There are many services which can be most economically provided on a local basis.

There are also some services which might be more economically provided on a regional basis.

To move this discussion ahead, we need to find common ground on the real cost of services in each jurisdiction. Uniform service-based accounting systems would be a logical beginning.

1.6 NEXT STEPS

1.6.1 Designing a Regional Agency

It is the view of this Panel that the existing legislative, policy and procedural framework in the Region has not been entirely effective. In particular, there is a need to improve regional awareness and thinking; to institute strategic regional planning of those activities which involve region-wide impacts; and to ensure that the costs and benefits of service delivery in the Region are better allocated among various governments, ratepayers, and residents.

And, as we have suggested in this Interim Report, we believe that some form of regional agency is required to address these needs. There is a broad spectrum of options available, ranging from a third tier of government to greater collaboration between existing local governments.

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Considerations in Designing a Regional Agency

Responsibility

Programs/Services

Openness

Relationships to Governments

Public Consultation

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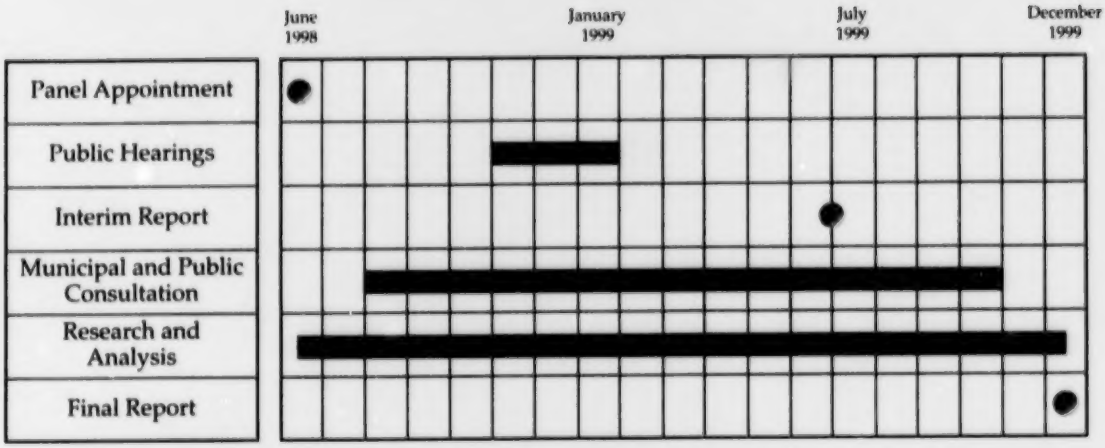

1.6.2 Panel Schedule

This is an Interim Report - intended to outline the Panel's preliminary findings and to encourage comment. Our Final Report will be delivered by year-end.

It would be premature to recommend any form of regional agency without further discussion of its purpose. The intent of this Interim Report is to encourage that discussion. We invite your comment on those functions identified by the Panel as warranting regional attention and, in that context, we would welcome ideas respecting the appropriate form and structure of a regional agency. It is the intent of the Panel, following presentation of our Interim Report, to engage in a second round of municipal and public consultation preparatory to developing our final recommendations.

Part 2

FINDINGS

The Panel's formal mandate, under its appointing Order in Council 300/1998 dated June 3, 1998, was to

> *" undertake a review and make recommendations to the government, through the Ministers of Urban Affairs and Rural Development, respecting* ***the effectiveness of the existing legislative, policy and procedural framework*** *guiding land use planning and development, and the provision of services in the municipalities in the Capital Region."* (Our emphasis.)

By a Discussion Document called *Partners for the Future: Working Together to Strengthen Manitoba's Capital Region* prepared by the Province of Manitoba for the Capital Region Review, published in October, 1998 (referred to as the "Discussion Document"), the following Mission Statement was suggested:

> *"The mission of the Capital Region Review Panel is to consult with Manitobans and make recommendations on creating a* ***co-operative working environment and decision-making structure*** *that will strengthen development in the Capital Region."* (Our emphasis.)

Boiled down to its essentials, it is abundantly clear that the intended business of the Panel was and remains the existing legal **framework** in the Capital Region, and the creation of a new working and decision making **structure**.

The Panel's mandate and mission have been emphasized at the outset of this Final Report because there was an expectation in some quarters that the Panel would go beyond framework and structure and attempt to pass judgment on long standing and complex cross boundary issues such as the preferable location of development and the optimum use of infrastructure in the Capital Region. These are decisions to be made by elected representatives in the Region, given an effective decision making structure.

In Part 5 of this Report, the Panel, in fulfilment of its mandate and mission, recommends a structure which it believes will assist the municipal governments in the Capital Region to come to grips with these and other cross boundary issues and, more broadly, to cooperatively implement the Capital Region Sustainable Development Strategy (See Appendix B, p. 91 for excerpts from this Strategy).

The Discussion Document suggested Terms of Reference and a range of issues for examination:

1. *"Examine land use planning and development, servicing, economic development and the current partnerships operating in the Region in terms of* ***effectiveness*** *in facilitating the orderly and sustainable development of the municipalities of the Capital Region, through consultation with the Capital Region Committee, Councils, Planning Districts and residents of the Region, and identify possible solutions.*
2. *Consider the* ***effectiveness*** *of the existing legislative, policy, and procedural framework guiding planning and development within each municipality in the Region and across the Region in implementing the Capital Region Sustainable Development Strategy.*

3. *Review the current delivery models and decision-making processes in support of the provision and maintenance of municipal services, to ensure people access to appropriate levels of servicing throughout the Region in the* ***most cost-effective*** *manner, and* ***to recommend alternative processes or models*** *that will improve efficiency and sustainability of the entire Region.*

4. *To report to the Government the findings of the public consultation process and make specific and detailed recommendations with respect to addressing issues and concerns identified during this process."* (Our emphasis.)

Issues for Examination

- *"**Economic Co-operation:** The Capital Region must clearly market all of its strengths and opportunities to the rest of the Province, North America and the world business community. To effectively capitalize on national and international opportunities, municipalities must have complementary strategies. The requirement for municipalities to build on one another's strengths and work collaboratively for the good of the Region is becoming increasingly critical.*

- ***Integrated Land Use Planning and Development:** The use and development of land is guided by individual municipalities within a broad framework of provincial legislation and policies. This framework must provide reasonable and practical opportunities for input from municipalities affected by development in neighbouring municipalities within the Capital Region.* ***Effective mechanisms must be in place to support and facilitate the necessary level of coordination and integration of municipal decisions in consideration of the regional impacts of local decisions.***

- ***Service Delivery:** Local government has responsibility for a wide range of services essential to the health, safety and convenience of the public, such as water, roads, waste management, drainage, recreation, emergency and other municipal services. Decisions respecting the provision and maintenance of these municipal services often do not take into account a regional perspective. There is a need to develop a model that ensures services are provided in the most cost-effective and sustainable manner.*

- ***Partnerships:** Common interests of the Capital Region municipalities with respect to services, land use decision-making, economic development and other matters point to the need to accommodate the co-operation and integration required to efficiently meet an ever-increasing demand for servicing within an environment of scarce resources.*

- ***Mediation Mechanism:** Recommendations for a method to solve/mediate inter municipal disputes may be desirable."* (Our emphasis.)

The common thread running through the Panel's Order in Council mandate and the Terms of Reference is the direction to review the effectiveness of the existing legislative, policy and procedural framework in achieving orderly and sustainable development and cost effective service delivery. This the Panel now addresses.

In our Interim Report we concluded that the existing framework was not entirely effective (Section 1.6.1, p.37). Many citizens and organizations gave the Panel evidence of shortcomings in, or ineffective functioning of, the legislative, policy and procedural framework in the Capital Region.

2.3.1 Inadequate Regional Protection of Resources

(Part 1 Interim Report, Sections 1.2.3 to 1.2.4.4, pp. 8 to 14)

The Capital Region is endowed with unique natural resources. These include arable agricultural land of the highest quality; an aquifer underlying the greater part of the Region yielding excellent potable water; a heritage of greenspace and wetland; and two major rivers which have been used for water supply, waste water disposal and recreation.

Since these resources extend over large parts of the Region, it is not surprising that our citizens are concerned that there is no effective Regional structure for ensuring their efficient and sustainable use, and for their protection against inappropriate development, pollution, or other wastage.

Examples in evidence include municipalities which, as a first priority, want to preserve their arable land, and want to work with their neighbours to direct residential development to existing residential centres.

Water is high on the municipal list of priorities, whether it is water for consumption or excess water to be drained.

The major Regional aquifer is a valuable but vulnerable resource. In the short term, it is vulnerable to pollution, one obvious source being inadequately constructed landfills. The Provincial Department of Conservation has a long standing proposal to ensure containment of solid waste and effluent, and this is a candidate for the Regional agenda.

In the longer term, the likelihood of increasing demands on the aquifer and, if the scientists are right about climate change, slower recharge rates, suggests that Regional management of water supply in coordination with the City of Winnipeg's Shoal Lake sourcing should also be on the Regional agenda.

Drainage has always been a cross boundary issue, and the creation of existing drainage districts is a step toward Regional drainage coordination and management.

Although not referenced in our Interim Report, protection of air quality is likely to become a growing concern in the next century, and will require Regional cooperation.

2.3.2 Inefficient Regional Utilization of Infrastructure

(Part 1 Interim Report, Sections 1.3.2 to 1.3.3.1, pp. 26 to 29)

As in most major urban regions, residential development in the Capital Region has tended to occur at the edge of its built-up urban areas. Over time, many residents have migrated from older residential neighbourhoods in the urban centres to the suburbs or to locations beyond the urban boundaries.

For some time now, the shift outward from the core has coincided with a period of relatively modest overall Regional population growth. The offsetting movement of new Regional residents to some central urban neighbourhoods has been insufficient to sustain their vitality or to promote their significant redevelopment.

The combination of modest Regional population growth and the net outward shift of population from the older central urban areas is reflected in both the physical and socio-economic character of the Region. Whether as a consequence of or a contributor to the residential development pattern, there is a concentration of poverty in some of our central urban neighbourhoods. And there has been a corresponding concentration of new infrastructure investment in the suburbs and in the neighbouring municipalities—sometimes leaving older, more central urban infrastructure underutilized.

When examined on a case by case basis, the factors driving the outward shift of population prove diverse. They include the wish to return to rural or ethnic roots; the urge to find a more relaxed or semi-rural lifestyle on larger lots; and, in some cases, the economic decision to take advantage of the urban or near-urban standards of service offered outside the urban boundaries at lower (perhaps subsidized) property tax rates.

A further perspective on this complex issue was offered by the Urban Development Institute in our second round of public consultation: paradoxically, slow growth tends to drive development beyond the Winnipeg perimeter, because the demand necessary to support a new suburban development in Winnipeg, with its higher upfront costs for streets and water retention ponds, is simply not there. Smaller housing increments therefore tend to go to existing developments beyond the perimeter where the upfront costs are nominal.

Many suggest that the pattern of outward migration reflects legitimate choice—a matter of personal lifestyle preference. Others use the pejorative epithet "sprawl" to characterize the shift. In the view of the Panel, neither position is unassailable, nor is its blinkered pursuit constructive.

The concept of sustainability does not extend to unconstrained pursuit of personal lifestyle preference. At the very least, such preference needs to be tempered by avoidance or mitigation of adverse impacts on our environment. Sustainable development, for example, would not include developments which unnecessarily reduce our inventory of arable land, threaten the quantity or quality of potable water available from our aquifers, or irreversibly damage our greenspace or wetland resources. At the same time, personal preference is not readily legislated or regulated. It would be as futile to argue that Winnipeg residents should not be permitted to move to Saskatoon as to suggest that they should not be free to move to Stonewall.

On one level, the notion of "urban sprawl" has been used to characterize low density or haphazard, non contiguous expansion of our urban areas at the expense of our natural environment and our agricultural lands, and to the detriment of efficient service delivery. On another level, it has more recently been used by some to describe the growth of any residential development in the Capital Region outside the City of Winnipeg. Although our Panel shares the underlying concern about unhealthy Regional growth patterns, neither of these interpretations is meaningful without a perspective on circumstances in the Capital Region. If low density outward expansion from the core were the defining issue, then virtually all postwar development within the current Winnipeg boundaries would reasonably be characterized as sprawl—but the corresponding implications for the current and future Regional framework would remain unclear.

If residential development outside the Winnipeg boundaries is the central issue, then it should be considered that only about 12.5% of the 1996 Regional population (1996 was the last census date) lived outside the City, a ratio which is substantially lower than that experienced in other urban regions. And, of that 12.5%, approximately 40% (roughly 34,000 people) lived in Selkirk, Stonewall and other established settlement centres, where the logic of further growth has been acknowledged by both the Winnipeg metropolitan and municipal authorities for over 30 years.

We are left, then, with only about 7.5% of the 1996 Regional population (approximately 54,000 people) living in rural residences (including farmsteads). Some proportion of the non-farm component of this may represent unhealthy development from a Regional perspective, and may in fact warrant the "sprawl" epithet —particularly to the extent that such development does not make effective use of existing urban infrastructure capacity. There is however no Regional structure in place to sort out the consequences of this development pattern or to help address the diverse factors which are apparently continuing to encourage it.

We have not been alone in this deficiency. Ontario has just recently (December, 1998) passed legislation creating the Greater Toronto Services Board, the powers of which include the adoption, by by-law, of "strategies for municipalities within the GTA with respect to the provision and optimal use of infrastructure" and "a countryside strategy for the rural areas of the GTA that reflects the importance of rural and agricultural matters to the GTA."[1]

We find no consensus that development beyond the Winnipeg perimeter, and consequent inefficient use of infrastructure, has reached crisis proportions, but there is a general feeling that it is an incipient problem which needs Regional attention.

2.3.3 Impediments to Service Sharing

(Part 1 Interim Report, Section 1.3.5, p. 31)

On the services side of the Panel's mandate, we have been told that there is no effective framework for service sharing across municipal borders in the Region. There have been instances where service sharing (in one case, water supply across a boundary street) has been difficult to negotiate.

In addition to the absence of a negotiation framework, two other impediments to service sharing have been identified. One is that, by exporting services, municipalities are often concerned that they are encouraging the development of tax base in the importing municipalities which cannot be shared by the exporting municipality—tax base which, in the absence of a service sharing agreement, might be redirected to more efficiently serviced locations within the jurisdiction of the exporting municipality. The second is that, because there is no common service based budgeting/full cost accounting system in the Region, there is no agreed cost base upon which negotiation can begin.

2.3.4 No Effective Structure for Discussion and Mediation

(Part 1 Interim Report, Section 1.4.2, p. 33)

There has not been an effective structure to address Regional issues by municipal governments within the Region. The Capital Region Committee, consisting of municipal representatives and Provincial Ministers, met this need in some measure, but was thought to have outlived its usefulness in terms of intermunicipal discussion. The fact that even without an accommodating statutory framework, a Regional organization of Mayors and Reeves has taken form in the last year, is cogent evidence of the need for a structure to permit more intermunicipal discussion and, as a logical extension, mediation of cross boundary issues.

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[1] An Act to establish the Greater Toronto Services Board and the Greater Toronto Transit Authority and to amend the Toronto Area Transit Operating Authority Act (Province of Ontario, 1998). S.22(2).

2.3.5 Incomplete Accounting Procedures

(Part 1 Interim Report, Sections 1.3.5 and 1.4.2, pp. 31 and 33)

Not only does the absence of a common financial reporting system discourage efficient service sharing, it obscures the full cost of delivering services and prevents a meaningful comparison of property tax levels within the Region. Allegations that lower tax rates in some municipalities are the product of unaccounted senior government assistance, rather than of municipal efficiency, cannot readily be proved or disproved. Claims that lower tax levels actually reflect a lower level of service cannot be assessed without service specific cost accounting.

Inadequate and sometimes inconsistent accounting procedures in the Region stand in the way of productive neighbourly discussion.

2.3.6 Inadequate Information and Research

(Part 1 Interim Report, Section 1.5.1, p. 34)

Although municipal and district development plans and zoning by-laws are in place throughout the Capital Region, their review and amendment tends generally to be based on site specific circumstances or on the periodic policy updates required by Provincial statute. Perhaps as a result of fiscal constraint, related data collection and research functions receive little attention at either the municipal or provincial level. Local planning authorities, including the City of Winnipeg, do little to maintain and update the various background studies, related data bases and trend analyses which are critical to effective development policy. To the limited extent that Provincial authorities do assemble data with respect to demographics, land use and transportation, and socio-economic trends, analysis is limited and only rarely conducted in the context of the Capital Region.

The resultant Regional information and research gap has constrained the Panel's efforts to make a full evaluation of the concerns brought to its attention. For example, although Regional employment and residential distribution patterns were a common reference in presentations to the Panel, 1996 federal census data respecting commuting patterns within the Region had not been assessed at either the municipal or provincial level and had to be specially ordered from Statistics Canada. Unless corrected, this kind of information and research deficiency will frustrate efforts to promote Regional thinking.

2.3.7 Uncoordinated Regional Marketing

(Part 1 Interim Report, Section 1.5.1, p. 34)

Weaknesses in the Regional information base, and corresponding limits on Regional perspectives and thinking, are nowhere so clear as in the marketing and promotion of Regional economic development. We have been told that because there is no Regional framework for research, information, and marketing, we are losing immigrants and industry to other regions like Toronto, Calgary and Vancouver. Responsibility for economic development lies with a variety of organizations. Some of these are local in nature, and some receive funding assistance at the provincial or federal government level. None has a specific mandate to promote the interests and objectives of the Capital Region.

To begin to meet this deficiency, the Panel has provided a foundation of orthophoto images on which can be built a sophisticated interactive Web site. Development of such a Regional information and marketing resource, the promotion of immigration to fill our backlog of job openings, and the making of a concerted pitch to major new industries are appropriately the tasks of a Regional association.

In our second round of public consultation we learned that the Manitoba Chamber of Commerce is continuing to encourage Chambers of Commerce and Economic Development Corporations to coordinate their marketing. Within the Capital Region, this would be a logical function for a Regional association of municipal governments.

2.3.8 Limited Sharing of Costs and Revenues

(Part 1 Interim Report, Section 1.5.3, p. 36)

Many argue that the costs of service delivery should be borne by users and, correspondingly, that the revenues derived from development should be enjoyed by the parties which support or subsidize it. Unfortunately, Regional service and activity patterns do not respect municipal boundaries any more than do watersheds or aquifers.

There is little question that programs and services which are funded by the ratepayers in a particular municipality may benefit the residents of other municipalities. In simple cases, user fee arrangements may, and in some cases have been successfully applied, to correct any resultant inequity. In more complex cases, tax sharing arrangements or senior government funding assistance may be a more effective means of levelling the playing field. Historical examples of senior government funding include rural electrification and the development of our provincial highway network—circumstances in which provision of an agreed minimum level of service could not be funded exclusively by the users and required broader support.

There is currently no Regional structure for discussion and resolution of such issues, and no effective mechanism in Manitoba for an equitable allocation of related costs and revenues. Notwithstanding this, as will be described in Part 3, p. 49, some Manitoba municipalities outside the Capital Region have successfully negotiated tax sharing arrangements to enable export of services and sharing of tax revenues.

2.3.9 No Regional Planning Focus

(Part 1 Interim Report, Sections 1.3.4 and 1.5.2, pp. 30 and 35)

One of the issues examined by the Panel has been the integration of land use planning and development policy. Each of the municipalities in the Region is subject to district or municipal development plans and related land use controls. Each pays at least some attention to the kinds of issues which have been identified to the Panel as Regional in nature. Arguably, their combined effect does ensure a fairly consistent planning and regulatory context throughout the Region. However, the efforts by individual municipalities or planning districts to address issues of a Regional nature cannot, in itself, ensure a sound Regional perspective on such issues. And, to the extent that there is some provincial influence on the content of municipal and district plans (e.g., through application of Provincial Land Use Policies to the planning process outside the City of Winnipeg, and through ministerial or Municipal Board review of proposed plans), it has not consistently reflected a Capital Region perspective.

In the view of the Panel, the requirement of a Regional planning perspective is not limited to land use planning but applies to planning of economic development and service delivery as well. However, there remain many aspects (e.g., zoning and related land use controls) which can, in the opinion of those who made presentations to the Panel, be best addressed at the local level.

Accordingly, the Panel sees growing recognition that Regional planning initiatives should be strategic, emphasizing those issues which are recognized to be Regional in scope. Any resultant "Regional" plan would be neither a compilation of the relatively comprehensive municipal and district development plans which are currently in place, nor a replacement of them. It might simply be a set of Regionally agreed guidelines for evolution and interpretation of district or local policy. Such guidelines could extend beyond conventional land use policy to address economic development and service delivery issues as well. However, the focus would be on development policy or activity which entails potentially significant impacts beyond the boundaries of the individual municipality or planning district. And to be useful and enforceable, the guidelines would have to be based upon agreed measures of Regional impact and on ongoing monitoring.

Some presentations to the Panel suggested that Provincial leadership was necessary to ensure a shift in focus from the local to the Regional level. Others expressed concern that local autonomy would be threatened by Provincial intervention. In the view of the Panel, the risks facing us because of current deficiencies in the Regional framework are not generally so critical as to require direct Provincial intervention. Provincial leadership might be more effectively exercised by enabling and supporting municipalities and residents within the Region to develop and implement a shared Regional vision.

A REGIONAL STRUCTURE

The preceding examples are presented to reinforce the Panel's conclusion that the existing legislative, policy and procedural framework is not entirely effective. In many circumstances, in fact, there simply is no "Regional" structure in place. In our Interim Report, we suggested that this was a rationale for what we referred to as a Regional agency (Part 1 Interim Report, Section 1.4.2, p.33).

Before arriving at its recommendations as to the appropriate structure of that Regional agency (or Regional association, as some of the municipal governments in the Region prefer to call it), the Panel will review in detail the existing Manitoba legislative, policy and procedural framework (Part 3 of this Report) and consider what can be learned from regional legislation elsewhere (Part 4 of this Report).

Part 3

THE MANITOBA FRAMEWORK

3.1.1 Introduction to Legislative, Policy and Procedural Framework

The following legal authorities have been considered:

The Municipal Act, C.C.S.M. M225.

The City of Winnipeg Act, S.M. 1989-90, c. 10.

Plan Winnipeg, "Toward 2010," City of Winnipeg, By-law No. 5915/92.

Plan Winnipeg. "2020 Vision," Preliminary Draft.

The Planning Act, C.C.S.M. c. P80.

Provincial Land Use Policies, Man. Reg. 184/94.

The Public Utilities Act, C.C.S.M. c. P280.

The Corporations Act, C.C.S.M. c. C225.

We have also considered other authorities which indirectly affect land use planning and the provision of services:

The Highways Protection Act, C.C.S.M. c. H50.

The Interdepartmental Planning Board (IPB) created by Order-in-Council 1123/90 under s.7 of *The Planning Act* with assigned review and recommendation jurisdiction under *The Planning Act, The Environment Act, and The Sustainable Development Act.*

The Environment Act, Manitoba Regulation 164/88. (Class of Development Regulation)

The most significant commentary in this Part of our Report arises out of the fact that the City of Winnipeg is incorporated and governed by *The City of Winnipeg Act*, and the other municipalities in the Capital Region are incorporated and governed by *The Municipal Act*. Not surprisingly, this divergence has resulted in a legal "two solitudes" situation, under which the authority and obligations of the City of Winnipeg and that of the other municipalities in respect of planning and services, have become inconsistent.

We describe these inconsistencies in this Part. To the degree that they stand in the way of Regional cooperation in the coming century, they need to be addressed, and this we do in Part 5 of our Report.

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3.1.2 Land Use Planning and Development

3.1.2.1 Regional Planning Coordination

As noted in the sidebar on this page, *The Planning Act* requires municipalities other than the City of Winnipeg to give notice to adjacent municipalities of public hearings on development plans, and includes as a purpose of a development plan "methods whereby the best use and development of land and other resources in adjacent municipalities…may be coordinated." This has in it the seeds of regional planning.

The City of Winnipeg since 1996 is no longer required to consult with adjacent municipalities affected by *Plan Winnipeg*, but as noted in the sidebar, *Plan Winnipeg "Toward 2010"* recognizes that "many development issues transcend boundaries and can only be addressed through the cooperation of neighboring jurisdictions," and that **"Winnipeg and adjacent municipalities must establish a new relationship which provides each with the opportunity to address those issues of critical importance"**, and recommends that **"the provincial government establish an appropriate forum for dialogue and discussion"** (see sidebar this page). Again, we see, in a different context and expression, but even stronger in emphasis, the seeds of coordinated regional planning.

We recommend in Part 5 how these two different thrusts might be coalesced.

3.1.2.2 Planning Policy

Another inconsistency between the City of Winnipeg and other municipal regimes lies in the land use policies which are intended to guide them.

The *Planning Act*, which is not applicable to the City of Winnipeg, makes provision for the enactment of *Provincial Land Use Policies* (s.6(2)(a)). A set of policies was promulgated by regulation (M.R.184/94) which states that these policies "serve as a guide to Provincial and local authorities undertaking and reviewing land use plans", and that they "are to be applied to all land in Manitoba with the exception of the City of Winnipeg."

The City of Winnipeg, under *The City of Winnipeg Act* (s.576(2)) is given a mandatory list of planning issues which it must consider. Based upon this list, it must adopt its own policies in *Plan Winnipeg*.

Coordination of Planning with Adjacent Municipalities

Planning Act

Section 28 (2)(b)(iii) requires that notice of public hearing be sent to adjacent municipalities after 1st reading of a development plan by-law. Councils may prepare a development plan that(per s. 24(1)b), is designed to "promote optimum economic, social, environmental and physical condition of the **area**" (emphasis ours). Section 25(1)(f) states that one of the purposes of a development plan is to "outline the methods whereby the best use and development of land and other resources in adjacent municipalities, districts…may be coordinated."

City of Winnipeg Act

In 1996 the Manitoba Legislature removed from the *Act* s. 579 (1) which had required Executive Policy Committee (EPC) to endeavour to consult with any adjacent municipality the EPC or council considered could be affected by the *Plan Winnipeg* by-law and then report back to Council.

However in *Plan Winnipeg "Toward 2010"* (By-law 5915/92) there is a section titled "Winnipeg Region" in which Winnipeg recognizes that "many development issues transcend boundaries and can only be addressed through the cooperation of neighboring jurisdictions" and suggests that to address this need "Winnipeg and adjacent municipalities must establish a new relationship which provides each with the opportunity to address those issues of critical importance." (p. 84)

To achieve this cooperation, *Plan Winnipeg* sets out the following course of action:

"the Provincial government prepare, implement and periodically review (in consultation with Winnipeg and adjacent municipalities) a capital region strategy" (Recommendation 5A-45),

and that "the provincial government establish an appropriate forum for dialogue and discussion…" (Recommendation 5A-46).

Plan Winnipeg also makes the constructive commitment to have the City consult with its neighboring municipalities to ensure integration of its development plan with the land use plans of adjacent municipalities.

The preliminary draft of *Plan Winnipeg, "Vision 2020"* which when adopted, will replace *Plan Winnipeg, "Toward 2010,"* contains regional policy references which, while different in detail, could maintain the City's present commitment to Regional consultation.

To complicate matters further, there is some crossover in the *Provincial Land Use Policies* when they deal with "urban-like" uses which they suggest be "directed to existing urban centres", the rationale being that "because of significant public investment in the infrastructure of the existing central business districts of most urban centres, development which would significantly detract from or weaken the central business district should be discouraged" (see sidebar, this page).

There could hardly be a better expression of the need to coordinate Regional planning so that optimal use of infrastructure can be achieved. The challenge is to provide the elected representatives in the Capital Region with an effective Regional legislative structure which will assist them to follow this guideline.

3.1.2.3 Special Planning Areas

It was suggested to the Panel that a "Special Planning Area," which can be created under *The Planning Act* (s.10), might be available to serve as a planning vehicle for the Capital Region. However, the advice the Panel has received is that there is some question whether the City of Winnipeg can be part of a Special Planning Area, there being no express statutory authority.

Apart from this possible statutory limitation the Panel is of the view that the Special Planning Area provisions describe a level of Provincial intervention in Regional planning which would be best applied, as a last resort, in circumstances where there was a persistent failure to achieve Regional cooperation or an imminent risk to the ongoing sustainable development of the Region.

Moreover, the Special Planning Area provisions require a suspension of municipal and district development policy and land use controls pending their replacement by corresponding Regional policy and controls. As important as Regional land use planning may be—particularly in the strategic context suggested in our Interim Report (Part1 Interim Report, section 1.5.2, p. 35)—it would most effectively be instituted in a cooperative context. In the present circumstances, it is the Panel's view that Regional thinking would be better served by development of a more effective Regional framework or structure rather than by the imposition of a Regional plan.

Provincial Land Use Policy #1

Development shall be encouraged to take place in a safe and efficient manner so that . . . existing urban centres are enhanced.

B. Policy Application

Urban:

5. **(residential) uses shall, generally be directed away from:**
   - **(a) areas subject to flooding;**
   - **(e) prime agricultural land;**
7. **new development should not result in unexpected or unreasonable costs to the public;**
9. **in general, "urban-like" uses . . . shall be directed to existing urban centres, except as directed elsewhere in this policy;**
12. **because of significant public investment in the infrastructure of the existing central business districts of most urban centres, development which would significantly detract from or weaken the central business district should be discouraged;**

Rural:

16. **certain types of "urban-like" development, however, because of their nature, may also be directed to rural areas if they cannot be accommodated suitably in an urban centre . . .**
17. **rural residential (large lot) developments are appropriate land uses in rural areas and shall be encouraged, provided that they:**
    - **(a) are planned so that they do not impede the orderly expansion of urban centres and do not require piped water and sewer services from them; and,**
    - **(b) are complementary to existing urban centres and do not lead to the evolution of new competing urban centres . . . lot densities and numbers should also be low enough that other "urban-like" services will not be needed in the development.**

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3.1.3 Provision of Services

3.1.3.1 Service Sharing

The Municipal Act and *The City of Winnipeg Act* are again at odds on service sharing.

The Municipal Act authorizes a municipality to exercise its powers, including the provision of services, in another municipality, but "municipality" as defined in the *Act* does not include the City of Winnipeg.

However, *The City of Winnipeg Act* (s.406(1)) authorizes Winnipeg "and any other municipality" to make agreements for "executing any work within the powers of either of them" (see sidebar, this page).

The Panel is advised that *The City of Winnipeg Act* provision probably gives the municipalities the power to share services with Winnipeg, despite the fact that this power was withheld in *The Municipal Act*, but the legal position should be made certain.

3.1.3.2 Pricing Services

Under *The City of Winnipeg Act* (s.548), the City of Winnipeg has the authority, notwithstanding *The Public Utilities Board Act* (s.82), to fix any price for services which Council may deem expedient:

"the City may levy such rate or rent for the purpose of and as a means of securing revenue for the general purposes of the City and not for furnishing such services to the citizens at cost."

All other municipalities are required by *The Public Utilities Board Act* to have their utility fees approved by the Public Utilities Board and are required (s.85) to:

"keep the accounts thereof in the manner prescribed by the Board for the accounting of similar public utilities, and shall file with the Board such statements thereof as may be directed by the Board."

Municipal Act

s. 250(2):

"...a municipality may for municipal purposes...enter into agreements with one or more of the following regarding anything the municipality has power to do within the municipality..."

(vi) "another municipality in Manitoba or a municipality in another province".

s. 1(1) defines "municipality" as a municipality under *The Municipal Act.*

s. 260:

"A municipality that provides a service or other thing within its own boundaries may provide it in or to another municipality...the municipality providing the service may set terms and conditions, including fees or other charges for providing the service..."

City of Winnipeg Act

s. 406(1)

"The city and any other municipality shall have the power to enter into an agreement for executing any work within the powers of either of them and for apportioning and providing for the time and manner of payment of the cost of the work; and each municipality that is party to the agreement may pass by-laws for the issue and sale of the debenture to provide for its share of the cost and for assessing and levying the share or a portion of it on all the ratable real property within the municipality, or on the real property within its boundaries, benefited by the work, as if it were a local improvement solely within the municipality."

s. 408

"The city may pass by-laws for granting aid to any other municipality for opening, making, maintaining, widening, raising, lowering or otherwise improving any street, bridge, ditch, drain or sewer outside of the city."

In the course of this rate setting, the Public Utilities Board takes care to ensure that prices are set on a general cost recovery basis, with some flexibility for reserves. The Panel is advised that while modest reserves are required to be retained by those municipal utilities for the purpose of unanticipated repair and replacement of infrastructure, these funds are less than the required long term capital replacement costs for infrastructure renewal. Municipal utilities, other than those operated by the City of Winnipeg, are not allowed to transfer reserves into general operating accounts.

Here again is a mismatch of statutory objectives which stands in the way of cooperation in the Regional provision of services, and which calls for coordinating provisions in a Regional statutory framework.

3.1.4 Economic Development

Under *The Corporations Act*, community development corporations can be incorporated, with the approval of the responsible Minister, for the purpose of fostering the social and economic development of a municipality or other local region in the Province (Part XXI; see sidebar this page).

Corporations Act, Part XXI Community Development Corporations (CDCs)

- **ss. 262(3) and 263 both refer to the incorporation of a CDC in a municipality or defined "area."**
- **s. 262(2) requires all such articles of incorporation to be approved by the Minister prior to filing with the Corporations Branch.**
- **The articles shall state that the business of the corporation is restricted to fostering the social and economic development of a municipality or other local region in the Province.**

Only one corporation is allowed in each municipality or region.

The need for a corporate structure with broader capacity is evidenced by the *ad hoc* formation of regional organizations like the Pelly Trail Industrial Development Committee. In 1997, the councils of the Village of Binscarth, the Town of Russell, and the Rural Municipalities of Russell, Shellmouth-Boulton and Silver Creek established a development committee involving nonelected community and business leaders. A development officer was engaged to serve all members in the region. The committee is now exploring the possibility of sharing the rewards of new regional commercial development by sharing the new tax base.

That these enterprising people would have to cut their new organization out of whole cloth and without an effective statutory framework, is further evidence of the need for modern, flexible legislation which will permit regional organizations like this one to get together and adopt what corporate capacity they need from time to time to develop their region.

Although promotion of economic development is clearly recognized in the Capital Region municipalities as an important initiative, its Regional focus is currently diffused by the number of overlapping efforts involved. Each municipality in the Region has at least one agency that can provide one or more services in support of new jobs and business activity. In delivery of these services, the three levels of government have variously created federally funded Community Futures Development Corporations, provincially funded Regional Development Corporations, and locally funded Community Development Corporations.

There are currently at least eight different agencies funded by the Provincial and Federal governments alone, which exist to promote development in one part of the Capital Region or another. The geographic interest of some of these agencies, although in no case coincident with the boundaries of the Capital Region as it is currently defined, does fall wholly within the Region. In other cases, however, the geographic interest is centred elsewhere and only incidentally involves a portion of the Capital Region. There is no formal mandate, at any level, to promote economic development of the Capital Region.

3.1.5 Provincial Policy and Administration

The absence of a formal Capital Region perspective in promotion of economic development is in general characteristic of the involvement of Provincial government departments in their administration and delivery of services and programs within the Region. To the extent that many departments are structured regionally, most such regions corner on the City of Winnipeg, rather than reflecting the City's central location within its Region, and the importance of its relationship with the adjacent municipalities. As a result, provincial programs and services are not generally developed, delivered, accounted or evaluated in the context of the Capital Region.

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The absence of a Capital Region focus at the Provincial administrative level is considered by the Panel to be a significant factor in limiting the progress of Regional municipalities and residents in developing a better understanding of the Region and a shared vision of its future. It has contributed to so-called "perimeter vision," and to the prevalent perception of an uneven playing field between the City of Winnipeg and the other municipalities within the Region.

Historically, differences in Provincial departmental administrative relations with municipalities in the Capital Region were most apparent in the separation of the Departments of Rural Development (responsible generally for relations with municipalities outside the City of Winnipeg) and Urban Affairs (responsible primarily for relations within the City of Winnipeg). The differences extend to the aforementioned separate statutory treatment of the City of Winnipeg (under *The City of Winnipeg Act*), and to different provisions for provincial support of and transfer payments to the City and the other municipalities within the Region. The mechanism of the Capital Region Committee, while intended to promote dialogue between the province and the municipal governments within the Region, has been no substitute for the benefits potentially derived from common and consistent provincial policy on issues of Regional importance. Based on comments made to the Panel during the course of its deliberations, the Committee has too frequently served as a forum for debate of differences rather than for development of Regional thinking.

The recent move to consolidate the two provincial departments into a single Department of Intergovernmental Affairs, under a single Minister, should facilitate dialogue between the Province and the Region. However, unless the consolidation extends to explicit provision for a Regional focus within the new department, the potential benefits of such dialogue are unlikely to be realized.

Although less immediately apparent, the lack of a Regional focus in other provincial departments has also served to frustrate development of Regional understanding and thinking. This applies in both the case of departmental programs which involve investment or indirect financial transfers to municipalities within the Region (e.g. development and maintenance of provincial highway and drainage infrastructure), and in the case of provincial research and statistical analyses (e.g., development of population projections and related trend analysis based on Manitoba Health data). Financial accounting for programs in the first category is not readily disaggregated to the level necessary for intraregional analysis and, as a result, such programs tend to obscure the real cost of providing services to ratepayers within the Region. In the second category, provincially generated statistical analyses only rarely provide any insight into circumstances and trends affecting the Region.

3.2.1 Service Based Budgeting

The City of Winnipeg has begun an initiative for management of service delivery and budgets, called the *Management Reference Model* (MRM). The essential component is service based budgeting, under which specific resources required to deliver a service are identified and allocated to that service. Council and the public will see the result of that resource allocation in the services provided, which is the ultimate form of accountability.

The relevance here is the potential for a Region wide adoption of service based budgeting, with the obvious virtue that all municipalities in the Region would be accounting for service costs on the same basis, so that negotiations for service sharing in the future can begin on the proverbial level playing field.

3.2.2 Full Cost Accounting

Full cost accounting is the other side of the service based budgeting coin. The more complete allocation of costs and revenues to services by municipalities, including subsidies in one form or another, would require an amended form of financial reporting under *The Municipal Act*. Currently, financial reporting by municipalities other than the City of Winnipeg is covered by Provincial department guideline, requiring each municipality to produce a common form financial report which does not extend to full cost accounting.

By contrast, the City of Winnipeg auditor is empowered under s.59 of the *Act* to examine in a manner that the auditor considers necessary and in accordance with such terms of reference as Council may establish, the accounts of the City and boards and commissions.

The principles of full cost accounting are described in the *Provincial Land Use Policies Regulation* under *The Planning Act*. Under the General Development Policy recommendations respecting policy application, clause 7 provides as follows:

> *"When considering a proposed development, full cost accounting techniques should be used, so that anticipated direct and indirect benefits are compared with all relevant and measurable direct and indirect financial, economic, social and environmental costs, over both short and long terms."*

In actual fact, however, these principles have not been followed. Even where the issue is as straightforward as accounting for the life-cycle costs of services and infrastructure, present municipal financial reporting provides little insight into the related liabilities. Infrastructure assets, for example, are not carried on the books of municipalities. As a result, there is no clear evidence provided to ratepayers respecting the adequacy of maintenance budgets and replacement reserves to offset depreciation of our aging infrastructure.

REVENUES

Tax sharing of future development in a region is beginning to be a feature of the municipal landscape. The Town of Russell and the adjoining Rural Municipality of Russell entered into an annexation/tax sharing agreement in 1994. Another example is the tax sharing agreement between the City of Portage la Prairie and the adjoining Rural Municipality of Portage la Prairie, precipitated in part by new industry developing on the border (see sidebars this and succeeding page).

The Town of Russell and the R.M. of Russell entered into an annexation/tax sharing agreement in 1994. The Town was proposing to annex a parcel of land adjacent to its boundary. At the same time, businesses in the R.M. were requesting the extension of services and development support. The Town and the R.M. were interested as well in sharing the costs of recreation facilities. Outcomes of discussions between the municipalities were that the annexation was approved without objections and Town services were extended within a specified "development area." The agreement provided for the Town to receive 50% of the taxes collected from within the "development area."

This is evidence of the need for tax sharing agreements, but the fact that these tax sharing agreements were put together as a reaction to imminent commercial development speaks to the virtue of an anticipatory legislative framework. Tax sharing agreements in place will then create a welcoming environment for commercial development anywhere in the region, with all municipalities sharing in the promotion and in the tax reward.

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The statutory authority for tax sharing is contained in *The Municipal Act*:

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s.259.1 *This Division applies to the City of Winnipeg.*

- **The City of Portage la Prairie and the R.M. of Portage la Prairie had a difficult history based upon challenges such as the annexation of the Portage la Prairie Mall by the City. Cooperative efforts in such areas as regional economic development and decisions related to the former air force base at Southport were adversely affected.**

Two circumstances have contributed to bringing the municipalities into the cooperative relationship that presently exists:

1. Can-Oat Milling is an agricultural product processing facility located in the R.M. of Portage la Prairie just west of the City of Portage la Prairie. The facility required sewer and water services. Rather than make application for annexation of the facility into the City, the municipalities agreed to share property taxes accruing to the R.M. from a defined area around the City including Can-Oat, with 90% of revenues going to the R.M. and 10% to the City. They agreed as well that City water and sewer services would be supplied to the area on a fee-for-service basis plus an amount dedicated to eventual reconstruction.

2. Initially, the City and the R.M. supported the establishment of separate community development corporations (CDCs) within their respective jurisdictions in order to take advantage of the Community Works Loan Program and other potential CDC roles. Upon becoming aware of the plan for two CDCs and fearing the potential risk of competitive municipal relations, the Portage la Prairie Chamber of Commerce encouraged the municipalities to establish a single CDC.

The resulting harmony between the two councils is witnessed by the very positive new media coverage of recent expansion of service sharing agreements between them: "City – RM Team Up" and "Councils say co-operation is key – Warm, fuzzy approach will get job done". (The Daily Graphic, January 19, 1999, p. 1)

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Part 4

REGIONAL FRAMEWORKS ELSEWHERE

M121

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4.1.1 Introduction to Regional Legislation

Section 4.1 describes regional legislation and organizations in other provinces and states as examples of possible legislative frameworks that might be considered for Manitoba and its Capital Region.

The model statutes provided by the *Growing Smart Guidebook*,[1] which "proposes statutory alternatives for the formation and organizational structure" of regional agencies, are also considered. These examples draw on numerous regional acts to suggest key statutory elements that may apply to regions generally.

4.1.2 Roles and Responsibilities

4.1.2.1 Authority

Legislation ranges from allowing a regional agency to do anything that its member governments are empowered to undertake individually as municipal governments (see Growing Smart Guidebook sidebar, this page) to assigning specific responsibilities, typically in the areas of land use planning, service delivery, or economic development (see Toledo sidebar, this page).

Often, the legislation also gives a regional agency the responsibility of promoting and facilitating regional decision making and regional coordination of activities. This duty may mean that the regional agency maintains an information database for its members and provincial or state and federal agencies, and provides interjurisdictional mediation services to its members. (See Delaware Valley Regional Planning Commission sidebar, this page).

Growing Smart Guidebook

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Growing Smart Guidebook, p. 6-34.

Toledo

The Toledo Metropolitan Area Council of Governments (TMACOG), uses networking, information sharing and ad hoc initiatives among existing agencies to promote interjurisdictional cooperation in areas such as municipal services and improvements to the physical environment. The State of Ohio and the Government of the United States have empowered TMACOG, which is a voluntary group of municipalities, as the regional agency for implementing programs such as those resulting from the *Clean Water Act* of 1972, the *Clean Air Amendments Act* of 1990 and the *Intermodal Surface Transportation Efficiency Act* of 1991.

Toledo Metropolitan Area Council of Governments, TMACOG History (www.tmacog.org/about/History/history.html: Toledo Metropolitan Area Council of Governments, 1999).

Delaware Valley Regional Planning Commission

The Delaware Valley Regional Planning Commission's mission is to "**proactively shape a comprehensive vision for the region's future growth.**" It provides technical assistance to, and conducts research for, member governments; encourages cooperation in the region; and promotes an awareness of regional issues to the public.

Delaware Valley Regional Planning Commission, Our Mission (www.dvrpc.org/about/mission.htm: Delaware Valley Regional Planning Commission, 1999).

[1] Growing Smart Legislative Guidebook, Model Statutes for Planning and the Management of Change, phases I and II Interim Edition (Chicago: American Planning Association, September 1998)(the "Growing Smart Guidebook"). p. 6-1.

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4.1.2.2 Geographic Scope and Membership

Two broad types of legislation are apparent. The first type does not define a geographic region, but provides for local governments to define their own regional geography by virtue of their membership. Membership in such situations is generally not static; that is, new members may join and existing ones may withdraw.[2] The second type of legislation defines a specific membership in the region and its corresponding geographical area (see Greater Toronto Services Board, first sidebar, page 65).

4.1.2.3 Planning

Legislation authorizing regional agencies to plan varies from assigning an agency the responsibility of advising member governments on strategic regional land use decisions to empowering the agency to develop and implement a legally binding regional land use plan.[1] (See also Northeastern Illinois Planning Commission, sidebar and Metro (Portland Area) this page.)

Northeastern Illinois Planning Commission

The Northeast Illinois Planning Commission acts as a regional forum for physical and natural resource planning issues that range from economic development assistance to water resources management. As well, it is a clearinghouse for some federal and state expenditures.[1] The Northeast Illinois Planning Commission may "prepare and recommend to units of government within the Commission's area of operation generalized comprehensive [land-use] plans and policies which are metropolitan in character."[2]

[1] *Northeastern Illinois Planning Commission, Mission* (www.nipc.cog.il.us/mission2.htm: Northeastern Illinois Planning Commission, 1999).

[2] *Illinois Compiled Statutes – Chapter 70, Act 1705: Northeastern Illinois Planning Act* (State of Illinois, effective in 1957), s. 21 and s. 23.

While the legislation does not explicitly define the scope of regional planning, it suggests that it may include the coordination of member governments' development plans and the review of proposed developments that affect two or more member municipalities. (See Ohio sidebar, this page.) It does not include zoning, which is typically a local responsibility.

Metro (Portland Area)

Metro provides transportation and regional land use planning services, oversees garbage disposal and recycling waste reduction programs, and manages a number of regional amenities and facilities. Metro's Growth Management Services Department "provides detailed land-use analysis and policy information to the Executive Officer and Metro Council, with participation and feedback from communities and citizens in the region." The Department works with local planners and citizen groups to implement the area's regional plan. Known as the Regional Framework Plan, it contains policies and guidelines that address land use, water quality, natural areas and parks, natural hazards, and transportation.

Frequently Asked Questions (www.mulnomah.lib.or.us/metro/glance/faqs/gmsfaq.html: Metro, 1997).

Ohio

A regional agency may "act as an area wide agency to perform comprehensive planning for…proposed land development or uses, which…have public metropolitan wide or interjurisdictional significance."

Ohio Revised Code — Chapter 167: Regional Councils of Governments (State of Ohio, sections effective in 1967, 1969, and 1992), s. 167.03 (B) (2).

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[2] *Growing Smart Guidebook*. p. 6-22.
[1] *Growing Smart Guidebook*. p. 6-36 – 6-39.

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We see two approaches to the involvement of a regional agency in service delivery.

One approach is to have the regional agency create a regional service delivery plan as an advisory document for member governments, to coordinate service delivery throughout the region. Typically, this approach focuses on the coordination of infrastructure development in a region. (See Toronto sidebar, this page.)

A second approach is to have member governments delegate specific service delivery powers to a regional agency. This enables the member governments to choose which services should be delivered regionally and which should remain within their jurisdiction. (See Growing Smart Guidebook sidebar, page 61, and Twin Cities Area sidebar, this page.)

Toronto

The Greater Toronto Services Board (GTSB) may promote and facilitate coordinated decision-making among Greater Toronto Area (GTA) municipalities by adopting **"strategies for municipalities within the GTA with respect to the provision and optimal use of infrastructure."** Under this legislation, the GTSB municipalities determine the process for establishing such strategies.

Act to establish the Greater Toronto Services Board and the Greater Toronto Transit Authority and to amend the Toronto Area Transit Operating Authority Act (Province of Ontario, 1998), s. 22(1)(a).

As with land use planning, most legislation does not explicitly define which services are of a regional nature. Rather, it suggests that services that significantly affect two or more member municipalities should be coordinated or delivered regionally.

Regionally delivered services may include water supply and treatment, sewage treatment and disposal, major transportation infrastructure, and transit. (See Twin Cities Area sidebar, this page.)

Twin Cities Area

The Metropolitan Council provides services and plans for the Minnesota Twin Cities' future. It operates the region's bus system, collects and cleans wastewater, is a housing and redevelopment agency, and plans and funds parks and trails. The Council also prepares long range plans for the development of vital regional services—aviation, transportation, parks and open space, water quality and water management—and a comprehensive plan for how the region should grow in the future. Environmental Services is one of three Metropolitan Council divisions. The division collects and treats wastewater at its nine regional treatment plants. It also develops plans to preserve and manage the region's water resources.

- Environmental Services conducts region wide surface and groundwater planning and non point source pollution abatement (the pollution that comes from urban runoff, etc, but not from a pipe).
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***About Metro Council – Environmental Services* (www.metrocouncil.org/about/environm.htm: Metropolitan Council, 1998).**

4.1.2.5 Economic Development

Legislation may authorize members of regional associations to promote business investment in the region and to coordinate their economic development activities with other members.

As with planning and services, the legislation may also empower member governments to delegate their economic development role and responsibilities to the regional agency. **In some instances regional agencies expand their membership to include private sector stakeholders**. (See Economic Development Role of the Metro Denver Network sidebar, this page.)

4.1.3 Funding

There are two main legislative approaches to funding a regional agency.

One approach is that an agreement between the member governments creating the regional agency may specify how it is funded. "Any such [agreement establishing a regional agency] shall specify…the manner of financing the operations of the [agency] and maintaining a budget for the provisions thereof."[4]

Alternatively, the legislation may empower a regional agency to establish fees and collect money from its member governments. In this case, the fee structure would be specified in an agreement between the agency and its members. (See Greater Toronto Services Board sidebar, this page.)

Legislation may also enable a regional agency to receive funds, grants, gifts, and services from private and public sources.[5] This legislation explicitly allows a regional agency to receive funding from other levels of government. Provisions like this have been used extensively in the United States, where federal funds are frequently funnelled through regional agencies.

Economic Development Role of the Metro Denver Network

The Metro Denver Network represents economic development organizations in the metro Denver area. It works closely with the Greater Denver Corporation and the Denver Metro Chamber of Commerce in the economic development of the region.[1] "The Metro Denver Network Professionals Council (MDN) is an award-winning coalition of all economic development agencies in the six-county metro Denver area. All MDN partner organizations are linked together via an advanced computer network. The MDN partnership seeks to advance the region's economic development activities by working to eliminate duplication of efforts, stretch scarce resources, provide all organizations with consistent, reliable data, and improve response time to prospects." [2]

Since its formation 11 years ago, over 220,000 new jobs have been created in the Metro Denver area.[1]

[1] *Denver Metro Chamber of Commerce, Economic Development* (www.denverchamber.org/Eco development/index.htm: Denver Metro Chamber of Commerce, 1999).

[2] *ACCRA, Information Resources, Community Case Studies* (www.accra.org/info resources/case studies/denver.htm: ACCRA).

Greater Toronto Services Board

The legislation authorizes the Greater Toronto Services Board to levy against Greater Toronto Area (GTA) municipalities an amount that is sufficient to pay the estimated operating costs of the Board. These levies are to be apportioned among the GTA municipalities based on their assessed property values.

***Act to establish the Greater Toronto Services Board and the Greater Toronto Transit Authority and to amend the Toronto Area Transit Operating Authority Act* (Province of Ontario, 1998) s. 28(1).**

[4] *Growing Smart Guidebook*, p. 6-22.
[5] *Growing Smart Guidebook*, p. 6-32.

4.1.4 Organizational Structure

4.1.4.1 Representation

Two legislative approaches are evident.

The legislation may state that the member governments shall determine, by agreement, the representation of member governments on the regional agency's governing body.

Alternatively, the legislation itself may specify member representation on the governing body. It may provide for one representative for each member organization, representation by population, or a stated number of representatives for each member organization. (See Greater Toronto Services Board, first sidebar, this page.)

4.1.4.2 Voting

The legislation may provide for one vote per representative or, alternatively, a weighted voting procedure based on population.[5] The legislation may also specify a required majority for certain actions, such as approving a regional strategy (see Greater Toronto Services Board, second sidebar, this page).

Greater Toronto Services Board

The Greater Toronto Services Board is composed of 41 elected officials with 11 representing the City of Toronto, 30 representing the other Greater Toronto Area (GTA) municipalities and regional municipalities, and one representing the Regional Municipality of Hamilton-Wentworth (which is outside the GTA). (The City of Toronto makes up just under half of the GTA's population.)

Act to establish the Greater Toronto Services Board and the Greater Toronto Transit Authority and to amend the Toronto Area Transit Operating Authority Act (Province of Ontario, 1998), s. 4.

Greater Toronto Services Board

"The passage of a by-law adopting [an infrastructure or rural strategy] or an amendment to such a by-law requires a two-thirds majority of the votes cast."

Act to establish the Greater Toronto Services Board and the Greater Toronto Transit Authority and to amend the Toronto Area Transit Operating Authority Act (Province of Ontario, 1998), s. 22(2).

4.2.1 Accounting and Budgeting

Substantive legislation dealing with municipal accounting and budgeting has been passed by the New Zealand parliament. This legislation, known as the *Local Government Amendment Act (No. 2) 1989* was amended in 1996. (See New Zealand sidebar, this page.)

The *Act* was passed to promote the prudent, effective and efficient financial management of local government, and to improve transparency and accountability. It provides a common framework for financial reporting by municipalities. It states that each municipality must annually report on its sources of funds and on its indicative costs, which include allowance for depreciation and return on capital employed.

New Zealand

"Every local authority shall…prepare and adopt…a report [which] shall contain…in particular terms for the financial year to which the report relates, and in general terms for each of the following 2 financial years, in total and for each of the significant activities of the local authority, an outline of –

(i) The indicative costs; and

(ii) The sources of funds…"

Local Government Amendment Act (No. 3) 1996, Accession No. 083 (Government of New Zealand, commenced July 27, 1996), part 4.

[5] *Growing Smart Guidebook*, p. 6-26.

4.1.2.5 Economic Development

Legislation may authorize members of regional associations to promote business investment in the region and to coordinate their economic development activities with other members.

As with planning and services, the legislation may also empower member governments to delegate their economic development role and responsibilities to the regional agency. **In some instances regional agencies expand their membership to include private sector stakeholders**. (See Economic Development Role of the Metro Denver Network sidebar, this page.)

4.1.3 Funding

There are two main legislative approaches to funding a regional agency.

One approach is that an agreement between the member governments creating the regional agency may specify how it is funded. "Any such [agreement establishing a regional agency] shall specify…the manner of financing the operations of the [agency] and maintaining a budget for the provisions thereof."[4]

Alternatively, the legislation may empower a regional agency to establish fees and collect money from its member governments. In this case, the fee structure would be specified in an agreement between the agency and its members. (See Greater Toronto Services Board sidebar, this page.)

Legislation may also enable a regional agency to receive funds, grants, gifts, and services from private and public sources. This legislation explicitly allows a regional agency to receive funding from other levels of government. Provisions like this have been used extensively in the United States, where federal funds are frequently funnelled through regional agencies.

Economic Development Role of the Metro Denver Network

The Metro Denver Network represents economic development organizations in the metro Denver area. It works closely with the Greater Denver Corporation and the Denver Metro Chamber of Commerce in the economic development of the region.[1] "The Metro Denver Network Professionals Council (MDN) is an award-winning coalition of all economic development agencies in the six-county metro Denver area. All MDN partner organizations are linked together via an advanced computer network. The MDN partnership seeks to advance the region's economic development activities by working to eliminate duplication of efforts, stretch scarce resources, provide all organizations with consistent, reliable data, and improve response time to prospects."[2]

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[5] *Growing Smart Guidebook*, p. 6-26.

Ontario has developed performance measures for municipal services (see Ontario sidebar, this page). The proposed *Public Sector Accountability Act* may require municipalities to calculate and report on their measures of efficiency and performance.

4.2.2 Sharing of Costs and Revenues

Regional cost sharing is implicit in the agreements for service delivery negotiated by a regional agency. Regional tax base sharing and intergovernmental revenue sharing agreements are also being used to increase regional cooperation in planning and economic development.[7]

Municipalities may share the growth in assessed values of taxable commercial/industrial property, or, in some cases, taxable single family residential property valued at over a set amount.[8] (See Minnesota sidebar and Virginia sidebar, this page.)

Minnesota

The *Charles R. Weaver Metropolitan Revenue Distribution Act* (State of Minnesota, 1971) is regional tax base sharing legislation for the seven-county Twin Cities area. "Under this program, each city contributes 40 percent of the growth of its commercial-industrial tax base acquired after 1971 to a regional pool. The value of the properties in the regional pool is taxed at a weighted areawide rate. Funds from this areawide pool are distributed via an account formulation that takes into account a local government's population and fiscal capacity [defined as per capita real property valuation]."

Growing Smart Guidebook, p. 14-5.

The successful bid for the Mall of America development by the Minneapolis-St. Paul Council is cited as a collective regional initiative made possible by a tax sharing agreement.

Ontario

Ontario municipalities and the Province developed municipal services performance measures. Fourteen efficiency measures were determined for 14 municipal services, including planning and development, solid waste management, wastewater management, water services, and transit. Some of the efficiency measures are shown below, beside their corresponding service.

- Planning and Development: operating cost per $1,000 of assessment.
- Wastewater Management: operating cost of treatment per cubic metre of wastewater treated.
- Transit: total revenue/total operating costs.

Municipal Services Performance Measures Project, Report: Closure on Efficiency Measures (Ontario Ministry of Municipal Affairs and Housing, December 17, 1997.)

Virginia

Under the Charlottesville/Albemarle, Virginia, agreement, the city and the county contribute 37 cents per $100 of assessed valuation to a revenue-sharing fund. Money is distributed back to the city and the county based on each jurisdiction's population and property tax rate.

Growing Smart Guidebook p. 14-9.

Richman, Roger S. and M.H.. Wilkinson, *Interlocal Revenue Sharing: Practice and Potential* (Washington: National League of Cities, 1993) p. 15.

[7] *Growing Smart Guidebook*, p. 14-5 – 14-11.
[8] *Growing Smart Guidebook*, p. 14-12 – 14-15.

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[8] *Growing Smart Guidebook*, p. 14-12 – 14-15.

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Part 5

RECOMMENDATIONS

5.1.1 The Long View

The main virtue of a Panel like ours is that it can take the long view. Elected representatives, in their reflective moments, also engage in next generation thinking, but their agenda is occupied by the urgent and the immediate. As a Panel, we have had the luxury of looking at long term trends in regional development in North America, and thinking about how we can equip the Capital Region to meet the challenges we observe here and elsewhere.

Since publicly presenting our Interim Report, we have been talking about these challenges with the Mayors and Reeves in the Capital Region, as well as with other groups and individuals who have expressed interest. Given the wide spectrum of perspectives which they represent, it is not surprising that there is no unanimity about Regional issues or Regional solutions.

There is, however, an underlying consensus that the municipal governments in the Capital Region should be meeting, getting to know each other, and discussing the cross boundary issues which inevitably arise as development on one side of the boundary looks across at development on the other. The Mayors and Reeves organization which was formed in October 1998, is compelling evidence that the need for a Regional association of municipal governments is recognized. The Panel's contribution becomes one of facilitating the organization and future development of this Regional association by recommending an appropriate legislative framework.

At any point in time there will always be some municipal governments in the Capital Region which are experiencing cross boundary issues, and are interested in a Regional association as a forum for discussion and down the road action. And at that same point in time there will always be some which are not having any significant problems needing neighbourly discussion, and therefore are not putting a Regional association high on their priorities. It is our task as a Panel to take the long view, to look beyond the current situation, and to consider the legislative framework appropriate to deal with the next generation of cross boundary issues whenever they arise.

5.1.2 Amalgamation or Regional Association

In most urban regions in North America, population and development have tended to move outwards from the centre, the pace dictated by economic cycles and immigration. As the frontiers of development and population have crossed municipal boundaries, cross boundary issues have arisen which have required new decision making structures.

In general, there have been two political responses in these urban regions. One has been to amalgamate the municipalities behind the development frontier under a new metropolitan government. The other has been to form a regional association of the municipal governments affected by the outward thrust of population and development.

One of our consultants in the preparation of this Report has been Representative Myron Orfield of the Minnesota State Legislature, author of *Metropolitics*. He likes to make the point that when the Minneapolis/St. Paul regional council was formed over 30 years ago, there were 187 municipalities in the region. During the intervening years, the regional council slowly evolved, and now provides services like sewer and water throughout the region. But there are still 187 municipalities in the regional association. His point, of course, is that a regional association permits local governments to remain on the ground to deal with local issues, while their regional association deals with regional issues.

In late 1998, Ontario adopted both approaches in parallel: Metro Toronto municipalities were amalgamated, and then a regional association called the Greater Toronto Area Services Board was formed to embrace the municipalities outside of the new Toronto perimeter.

In our Capital Region, municipal governments in Metro Winnipeg were amalgamated a generation ago, but there was then no perceived need for a regional association of municipalities beyond the Winnipeg perimeter. Because of relatively slow growth in the Capital Region, it has taken a generation and more for the re-emergence of the cross boundary issues which argue for a new regional structure.

On the one hand, we find little inclination on the part of municipalities outside the Winnipeg perimeter to consider further Regional amalgamation. On the other hand, we are now seeing evidence of commercial and industrial development beyond the perimeter which emphasizes the need for Regional discussion if it is to be serviced on a cost effective basis. An arrangement for sharing costs and revenues might in some cases be a logical outcome.

It is our view that the time has come to build on the initiative of the Mayors and Reeves organization in the Capital Region, and make available to all of the Regional municipal governments an effective Regional Association framework which will assist them to deal with cross boundary issues in a manner which is both attractive to growth and efficient in its use of resources and infrastructure.

5.1.3 Regional Associations Elsewhere

We have the advantage of coming late to the regional table. Over the last generation, regional associations of one type or another have been put together in most North American jurisdictions, each one tailored to different regional needs.

In looking at our own Capital Region requirements, we therefore have had a wide spectrum of models to choose from, ranging from Myron Orfield's Minneapolis/St. Paul Council, which has been evolving since the 1960s, to the Greater Toronto Area Services Board, which was just organized this year.

5.1.4 The Evolution of Regional Associations

We have observed that most regional associations begin essentially as a forum for discussion of regional issues. As mutual trust develops, the member governments, over the years, tend to give the regional association successive increments of authority to deal with specific cross boundary issues as they arise.

A classic international example at another level is the European Union, a regional association formed more than 40 years ago by nations some of which had recently been at war. In the early years, establishing a level of trust and a sense of regional unity was the primary objective. The EU today represents more than 40 years of evolution. The same pattern of evolution is evident in regional associations of municipal governments in North America. Regional associations tend to walk before they run.

5.1.5 The Broad Provincial Picture

In the course of our research, we discovered that regional associations of municipal governments are already being formed in Manitoba. A most interesting example is the Pelly Trail Economic Development Committee, with the Town of Russell as its centre. The Town, and the surrounding Municipalities of Russell, Silver Creek, Shellmouth-Boulton and the Village of Binscarth, have put together a regional association, hired an executive director, and retained as consultant Dr. Richard Rounds, formerly of the Rural Development Institute at Brandon, now Professor of Rural Development at Brandon University. Recognizing that the region should be making a concerted regional pitch for industry, the Pelly association, with Dr. Rounds' assistance, is exploring an arrangement under which all municipalities in the association would share a percentage of the tax base of future commercial and industrial development in the region.

This and other examples cited in Part 3 of this Report constitute cogent evidence that forward looking municipal governments in Manitoba are recognizing the need for regional associations to deal with regional issues, and tell us that in designing a framework for regional associations, we should not restrict it to the Capital Region, but make it available to municipal governments throughout the province.

5.1.6 A Flexible Legal Framework To Accommodate Evolution

We have also observed that municipal governments across the continent have often been frustrated by the necessity to go back to provincial or state legislatures each time they want authority to do something more on a regional basis. When they have arrived at the legislature, they have sometimes found that the government of the day does not always share their view of the priority of regional issues.

With the advantage of being a late entry in the field, we have the opportunity to learn from experience elsewhere, and put together a legal framework which will permit regional associations to evolve from forums for discussion and promotion to future providers of planning and services—if, as and when the member municipal governments decide that this evolution is appropriate. Rather than require the municipal governments to revisit the Manitoba Legislature each time they want the regional association to do more for them, it is logical to put in place a comprehensive *Regional Associations Act*, with a full spectrum of optional authority, available as required.

[redacted] ACT

There were two available alternatives for presenting our recommendations for structuring regional associations legislation. The conventional route was to present a list of discrete proposals for statutory, policy and procedural amendments. The disadvantage of this approach is that it does not address the integration of these individual proposals into an ultimate user friendly framework, and it is after all an effective *framework* which is our mandate.

The alternative approach, which we have selected, is to propose *The Regional Associations Act* **(See Appendix A, p. 77)**, which gathers our recommendations into an integrated whole. This *Act*, together with some related recommendations for provincial action (Section 5.3, p. 74), becomes our proposal for enabling the City of Winnipeg and the other Capital Region municipalities to better deal with Regional issues as these issues arise in the coming century.

Because, as we have noted, the Capital Region is not alone in the province in discovering the need for regional association legislation, the *Act* has been drawn as a general statute, available to all Manitoba municipal governments.

The *Explanatory Notes* to the *Act* serve both to explain the text and the related rationale.

We wish to add an important "**Notice to Reader**". *The Regional Associations Act* which we propose contains a wide range of authority which is not intended for immediate adoption, but is available **if, as and when the member governments voluntarily agree that their regional association should have that authority**.

This is consistent with our observation that, historically, other regional associations of governments have walked before they have run. They have begun as forums for discussion, or agencies for regional promotion. Over the years, at a pace dictated both by regional issues and increasing mutual trust, these regional associations have tended to evolve by voluntary investment of increased authority. Examples we have described include, on a grand scale, the European Union, and closer to home, the Minneapolis St. Paul Council. Each has taken a generation and more to reach its current status of authority. Their component governments still exist as they did, but the regional associations have grown in response to a changing world in which regional cooperation is essential.

We have noted that each time these regional associations have had to respond to new challenges, their component governments have had to seek new legislative authority. In *The Regional Associations Act*, we have therefore included a full inventory of optional purposes and authority, which should reduce the likelihood of having to go back to the Legislature whenever the municipal governments in a region want their association to do more on their behalf.

FOR PROVINCIAL ACTION

As much as the Panel believes that primary responsibility for advancement of Regional thinking is best left to the voluntary initiative of the municipal governments within the Region, there remains a significant role for the Province in enabling and supporting that initiative. The recommendation that the Province adopt *The Regional Associations Act* is the principal thrust of our proposal, but there are a number of related Provincial initiatives which could significantly improve its effect. These are outlined in the following recommendations.

5.3.1 Statutory Consistency

In Part 3 of this report, our Panel has identified a number of inconsistencies in the various provincial statutes which describe the role and authority of the City of Winnipeg as contrasted to that of the other municipalities within the Capital Region. The most significant of these have been explicitly addressed in *The Regional Associations Act*. Historically, the City of Winnipeg has been granted a greater degree of autonomy in conduct of its affairs than have the other municipalities within the Region. It is the view of the Panel that participation in a Regional Association should open a similar degree of autonomy to member municipalities generally.

Apart from those existing statutory inconsistencies relating principally to differences between *The City of Winnipeg Act*, on the one hand, and *The Municipal Act* and *The Planning Act*, on the other, the Panel recommends that, wherever relevant, all provincial legislation, policy and procedures treat all municipalities within the Capital Region consistently.

More specifically, it is recommended that the Province review the regional implications of the Provincial Land Use Policies, and encourage their application by the Capital Region association and by regional associations generally.

5.3.2 Regional Perspective in Departmental Organization and Administration

The recent consolidation of the departments of Rural Development and Urban Affairs should, in itself, facilitate communication and dialogue between the Province and any association of municipalities within the Capital Region. The effect would be that much more beneficial if the internal departmental organization specifically recognized Regional interests. Accordingly, the Panel recommends that future organization of the Department of Intergovernmental Affairs include a division or branch with an explicit mandate for research and analysis of issues at the Regional level, and a corresponding mandate for related program delivery.

To the extent that many provincial departments have already been structured along regional lines, the Panel's principal concern is that corresponding regional administration and delivery of Provincial programs reflect and be supportive of voluntary municipal participation in a Capital Region association. Currently, regional organization of the various Provincial departments and programs appears to have been directed more to decentralization of administrative functions than to matching regional delivery of programs to the needs of what is essentially a City centred Region.

In short, it is recommended that regional organization of Provincial departments and programs be restructured, particularly in the case of the Capital Region, to be coincident with the geographic areas of interest of emerging regional associations.

Because this may be a gradual process, we suggest that first priority be given to Provincial interest and involvement in economic development. This would extend not only to delivery of Provincial programs and services on a Capital Region basis, but also to reporting of Provincial information and research activity. Second priority might be given to those programs which directly affect Provincial funding and implementation of infrastructure improvements. Based on submissions to the Panel, specific early attention should be given to Capital Region based direction and tracking of Provincial investment in highways and Provincial roads, drainage, and water supply.

5.3.3 Service Based Budgeting and Full Cost Accounting

Proposed implementation of service based budgeting and full cost accounting at the municipal level needs to be complemented by consonant action at the Provincial level. The Panel recommends that Provincial budgeting and accounting procedures be made consistent with municipal requirements, particularly in respect of those programs and services which involve direct or indirect transfer of funds to municipalities for development of infrastructure.

5.3.4 Costs and Revenues

The Regional Associations Act which we propose permits voluntary involvement of municipalities, at the regional level, in the sharing of municipal costs and revenues. It does not, however, deal directly with the extreme dependence of our municipalities on property tax revenues and the resultant pressure on local governments to promote development—sometimes without sufficient attention to regional consequences.

In recent years, development in the Capital Region outside Winnipeg has been limited primarily to housing. And, although some proportion of this development might be considered unhealthy from a Regional perspective, the Panel considers that problem to be incipient rather than critical. However, should the decentralization of housing and population lead to a corresponding shift of commercial and industrial activity (early instances of which we are already seeing), the consequences could quickly grow to critical levels, exacerbating concern about unhealthy development patterns and leading to counter productive competition between municipalities for development and the associated tax revenues. Although the Capital Region Association concept should enable such consequences to be mitigated, the limited revenue generation capacity of some municipalities will continue to be a serious obstacle to Regional thinking and action.

Although this matter is not directly within its mandate, the Panel heard this on every side, and recommends that the Province evaluate the effect of municipal dependence on property tax revenue in shaping regional land use and development trends. Such an evaluation would extend to consideration of alternative revenue sources at the regional level, including the allocation of proportionately greater provincial funding and support to regional initiatives.

Appendix A

The Regional Associations Act

BILL
THE REGIONAL ASSOCIATIONS ACT

(Assented to)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Manitoba, enacts as follows:

Definitions

1 In this Act,

"agreement creating a regional association" means an agreement that is entered into under section 3 by which the regional association is created;

It is necessary that two or more municipalities be parties to an agreement creating a regional association but other persons and organizations may also be parties to the agreement. See subsec. 3(3).

"municipality" means a city, town, village or municipality incorporated or continued under an Act of the Legislature and

Unorganized territories and northern communities are not included in this definition. They might be added if it is anticipated that any of them would be interested in becoming members of a regional association with status similar to municipal members. They could, of course become members with the same status as organizations that are not municipalities.

(a) where used in the context of exercising a power or performing a duty or function, means the corporate entity of the city, town, village or municipality, and

(b) where used in the context of denoting an area, means the area of the city, town, village or municipality the inhabitants of which are incorporated to form the city, town, village or municipality;

"region" means the area within the municipalities that are parties to an agreement creating a regional association within which, pursuant to the agreement, authority may be exercised, or duties and functions may be performed, by the regional association created by the agreement;

The region of a regional association is the whole of the areas of the municipalities that are members of the association. It does not necessarily follow that the association must carry out all its activities throughout the whole of the region. Some of the municipal members might choose not to participate in some of the activities: e.g., not to receive some service provided by the association, or to participate only partially in an activity, for instance to receive some service in respect of only part of its area.

"regional association" means an association of municipalities, or of municipalities and other persons, created under this Act;

"supplementary agreement" means an agreement

(a) by which the members of a regional association agree to amend the agreement creating the association, and

(b) which may have as parties, and which may add to the membership of the association, municipalities, persons and unincorporated

organizations that were not parties to the agreement creating the association.

Purposes of regional associations

2 The purposes of a regional association are to foster and develop cooperation and economy in the operations, undertakings and management of the municipalities in the region and the co-ordination of decision making in respect thereof and, without limiting the foregoing, may include

(a) providing a forum for discussion and mediation of regional issues;

(b) promoting, by information and marketing, the sustainable economic development of the region;

(c) ensuring sustainable use of the water, agricultural land and other natural resources of the region;

(d) achieving optimal and efficient development and use of infrastructure of the region;

(e) assisting municipalities in the region to make services and infrastructure available in the region on a shared basis;

(f) providing services and infrastructure to or on behalf of the municipalities in the region; and

(g) coordinating and facilitating the relationships of the members of the association with other levels of government.

It is intended that the purposes of a regional association may include other purposes than those described. It is also intended that a regional association need not have all or any of the specific purposes described in clauses (a) to (g). However, it is hoped that all will serve to foster and develop cooperation among the member municipalities and economy in their operations.

Creation of regional associations

3(1) Two or more municipalities may enter into an agreement creating a regional association of which each of the municipalities that are parties to the agreement will be members.

As mentioned above it will be necessary that at least two municipalities be parties to the initial agreement creating a regional municipality.

Supplementary agreements

3(2) The members of a regional association may enter into a supplementary agreement amending the agreement creating the association, but such a supplementary agreement must not result in the association not being bound, either by the agreement creating it or a supplementary agreement, by the provisions described in subsection 4(1).

Supplementary agreements respecting a regional association may add new members, change the area of its region, make a major change in its powers, authority, duties or functions or might be of a very minor nature; but it must not delete altogether the matters required by subsection 4(1) to be included in the agreement creating the association.

Members other than municipalities

3(3) Notwithstanding subsections (1) and (2), persons other than municipalities and unincorporated organizations may, to the extent that they are not prevented by law from entering into such agreements, be parties to an agreement creating a regional association or a supplementary agreement and may, as a result thereof, become members of a regional association.

It is expected that persons and organizations other than municipalities may wish to become involved in regional associations. Some may wish to become members, although not with the same status as the municipal members. Planning districts and Conservation Districts perform functions that may be closely related to the activities being undertaken by a regional association and it might be beneficial to have their representatives at meetings of the association. There may well be other organizations with similar concerns: e.g., chambers of commerce and community development corporations, and perhaps even some less structured unincorporated organizations: e.g., environmental groups and ratepayers associations, whose contributions to the effectiveness of a regional association would be helpful. The intent is that a regional association may invite or accept such persons and organizations as members either by including them as parties to an agreement or supplementary agreement or under some less formal process established by the agreement. See also clause 4(1)(d).

Content of agreement

4(1) An agreement creating a regional association must

(a) give a name to the association which should, in a general way, be descriptive of the region and include

(i) the word "Region" or "Regional", and

(ii) the word "Inc.", "Incorporated", "Corp." or "Corporation";

(b) identify the region in which authority may be exercised by the association which must include at least part of each municipality that is party to the agreement;

(c) state the purposes and authority of the association;

(d) provide procedures for adding new members and terminating membership and for the making of any changes in the area of the region that may be required as a consequence of a change in membership;

The procedures for adding new members may be restricted to requiring each new member to become a party to a supplementary agreement. This would be the usual manner of adding new municipal members; but perhaps a less formal process could be adopted for adding non-municipal members: e.g., chambers of commerce, community development corporations, school divisions, unincorporated groups.

(e) provide for the apportioning among the members of costs incurred by the association in its various operations and activities and for the contribution to the association by the members of the amount apportioned to them;

Funding of a regional association will likely be a difficult thing to negotiate and once negotiated should be covered by the agreement creating the association and varied from time to time by supplementary agreements. It seems obvious that the municipal members will be the major contributors to an association, but other members should expect to contribute something to the additional costs that would be incurred as a result of their membership.

(f) provide for representation of members of the association at meetings of the association; and

(g) specify the voting rights of members' representatives at meetings of the association which rights may vary depending on the nature or subject matter of the resolution or motion on which a vote is taken.

The manner by which members will be represented and their voting rights will also have to be negotiated. Perhaps some municipal members will be allowed more representatives than others and perhaps municipal members will have more representatives than non-municipal members. Or perhaps each member will be allowed only one representative but with each representative having a different number of votes. Also there may be some issues on which only participating representatives will have votes and the representatives of non-participating members will not. The permutations of the representation and voting systems may be numerous in some associations as their activities expand.

Members other than municipalities

4(2) An agreement creating a regional association or a supplementary agreement

As mentioned above, the member municipalities of a regional association may not be the only organizations that can make valuable contributions to the success of the association and its

respecting the association may provide

(a) that persons and unincorporated organizations, other than municipalities, may become members of the association, with or without special status; and

(b) for representation of such members and the voting rights of their representatives which may vary depending on the nature or subject matter of the resolution or motion on which a vote is taken.

activities or the only organizations that consider themselves concerned in its activities. If a regional association undertakes to promote economic development in its region, many other organizations in the region may be able to contribute valuable information and ideas which they may find easier if they are members, even of lesser status than the municipal members, of the association.

Other matters

4(3) An agreement creating a regional association or a supplementary agreement in respect of the association may provide

(a) that the association must provide certain services for the members or for those members who elect to receive the services;

(b) that one or more members of the association will provide services, infrastructure, facilities or equipment to the association or to one or more other members of the association and the method of paying for the services, infrastructure, facilities or equipment;

(c) that all or some of the member municipalities of the association may delegate to the association a power, authority, duty or function in respect of specified matters and that the association may exercise that power or authority or must perform that duty or function, on behalf of the member municipalities that have made such a delegation; and

(d) that the association will carry out or participate in such activities as the members may consider appropriate for the benefit of the members.

The intent is to provide some ideas as to the nature of the activities in which a regional association may become involved. Some will be confined to low profile matters but some may be accepting delegated authority to act for member municipalities in certain fields.

More specific matters

4(4) Without limiting the generality of subsection (3), the agreement creating a regional association or a supplementary agreement respecting the association may contain provisions relating to

(a) promulgation of regional plans governing specified categories of development or infrastructure that are considered to have regional significance;

(b) coordination of the provision of specified services by one or more of the member municipalities to one or more of the other member municipalities;

This merely enlarges upon the intent of subsection 4(3) by giving some more detailed descriptions of possible activities that might be undertaken by regional associations.

(c) provision of specified services to or on behalf of one or more of the member municipalities either directly by, or through an agent of, the association;

(d) research for and the development of an information base and Web site for the region;

(e) promotional programs to encourage economic development in and immigration into the region;.

(f) adoption of uniform service based budgeting and full cost accounting systems by the member municipalities;

(g) a process for and the provision of a forum for the mediation of specified regional issues affecting two or more member municipalities;

(h) the construction, maintenance, direction, control, management or operation of specified public works or utilities on behalf of one or more member municipalities.

Area of authority

4(5) Notwithstanding clause 4(1)(b), an agreement creating a regional association or a supplementary agreement respecting the association may provide that the association may exercise authority or perform a duty or function in respect of specified matters, or provide specified services

This is intended to emphasize the possibility that services that an association may provide and activities that it may undertake need not be provided to or undertaken in all the municipalities or uniformly to or in any municipality.

(a) in some of the member municipalities and not in others, either at the option of the member municipalities or at the discretion of the association; or

(b) in some areas of the region and not in other areas of the region, either at the option of the member municipalities that would be affected or at the discretion of the association.

Corporate status

5(1) Upon an agreement creating a regional association being entered into under subsection 3(1), the association is a corporation without share capital.

Section 5 is intended to give regional associations corporate status of the very simplest kind without much of the detailed requirements of *The Corporations Act.*

Notice to Director under *Corporations Act*

5(2) Forthwith after an agreement creating a regional association is entered into, the association must file with the Director under *The Corporations Act* a notice of the agreement indicating the name of the association, the area of the region in which the association has authority and the members of the association.

Notice of supplementary agreements

5(3) If the members of a regional association enter into a supplementary agreement that changes any of the information set out in the notice filed under subsection (2), the association must file with the Director under *The Corporations Act* a further notice indicating the changes.

Entering notices

5(4) Upon receiving a notice under subsection (2) or (3), the Director under *The Corporations Act* must enter in the records maintained for the purposes of that *Act* a memorandum indicating the existence of the association as a corporation without share capital.

Application of certain provisions of *Corporations Act*

5(5) Sections 267 (consent of minister and restricted purposes), 268 (form of articles), 270 (requirement respecting name), 272 (admission of members by directors), 273 (voting of members) and 274 (transferability of memberships) and subsections 276(2), (3) and (4) (delegates and votes by delegates) and 277(2) to (5) (distribution on dissolution) of *The Corporations Act* do not apply to an association and the notice filed under subsection (1) does not have conform to any prescribed form.

Representatives of members

6 A person is not disqualified from being, or ineligible to be, a representative of a member of a regional association because the person holds some other appointed or elected public office and agreements and supplementary agreements must not provide for any such disqualification or ineligibility.

This is merely to clarify that members' representatives might be individuals who hold elected or appointed public offices such as mayors, reeves, councillors, municipal clerks or even MLAs or MPs.

Officers

7(1) A regional association must elect a chairperson or other presiding officer to preside at its meetings and other officers needed to conduct its affairs.

Eligibility of officers

7(2) The chairperson or presiding officer of a regional association must be a representative of a member of the association but, subject to the agreement or supplementary agreements respecting the association, the other officers of the association may be persons who are not representatives of a member of the association.

Committees etc.

8(1) A regional association may, by by-law or resolution, establish an executive committee or board of management and such other committees as are considered necessary or advisable and provide for the election or appointment of the members thereof.

Membership of committees

8(2) A regional association may, by by-law or resolution, provide that a person who is not a representative of a member of the association may be elected or appointed as a member of a committee established under subsection (1).

Meetings

9(1) Each regional association must hold meetings of the representatives of the members of the association at least four times in each numerical year.

Rules of procedure

9(2) Subject to the agreement creating it and supplementary agreements, a regional association may adopt rules governing the transaction of business at meetings of the representatives of its members.

Managing officer

10(1) A regional association may appoint an executive director or other managing officer and determine the duties and authority of the person so appointed.

Other employees and consultants

10(2) A regional association may employ such persons and retain such experts as consultants as may be considered necessary or advisable to carry out its duties and functions or exercise its authority under the agreement creating it or supplementary agreements.

Equipment and supplies

10(3) A regional association may purchase, lease or otherwise acquire facilities, equipment and supplies as may be needed to carry out its duties or exercise its authority under the agreement creating it or supplementary agreements.

Delegation to regional association

11(1) Where, under the agreement creating a regional association or a supplementary agreement respecting the association, the association is authorized to accept the delegation of a power, authority, duty or function from member municipalities to do something, a member municipality may delegate that authority, power, duty or function to the association, to the extent that the municipality is not prevented by law from doing so, and upon the authority, power, duty or function being delegated to the association by a member municipality

(a) the association may exercise that authority or power, or perform that duty or function, on behalf of the municipality, but the association must comply with, and is subject to, any conditions, limitations or restrictions that would apply to the municipality if the municipality itself exercised the authority or power or performed the duty or function, as the case may be;

(b) if the association exercises the authority or power or performs the duty or function on behalf of the municipality, the municipality is deemed to have exercised the authority or power or performed the duty or function, as the case may be, through the agency of the association;

(c) if the association fails to exercise the authority or power or to perform the duty or function on behalf of the municipality and the municipality fails to remedy the failure, the municipality is deemed not to have exercised the authority or power or performed the duty or function, as the case may be; and

(d) if, in exercising the authority or power, or performing the duty or function on behalf of the municipality, the association fails to comply with any requirement, condition, limitation or restriction that would apply to the municipality if the municipality itself exercised the authority or power or performed the duty or function, the municipality is deemed not to have complied with the requirement, condition, limitation or restriction.

Other Acts of the Legislature may restrict the power of municipalities to delegate certain authority, powers, duties or functions. These restrictions would likely be found in *The Municipal Act* or, in the case of Winnipeg, in *The City of Winnipeg Act*. Some consequential amendments to those *Acts* might be enacted to ensure that certain matters could not be delegated to regional associations. However, it is expected that municipal councils would be very loath to delegate to a regional association any matter that was of a purely local nature or that might have severe political repercussions.

The intent of this section is to ensure that any statutory requirements applicable to the exercise of any authority or power, or the performance of any duty or function, by a municipality would apply to the regional association if that authority, power, duty or function were to be delegated by the municipality to the association. This includes such matters as the giving of notices, the holding of hearings and time limits.

Acts performed under delegation
11(2) Where

(a) a member municipality of a regional association has delegated any power, authority, duty or function to the association; and

(b) if the municipality had exercised that authority or power, or performed that duty or function, itself, an Act of the Legislature or a regulation made thereunder would have required that the council of the municipality or any other body must conduct a hearing, hold a meeting or make an inquiry into any matter;

the association must arrange for a committee of the association, or some other appropriate body established by the association for the purpose, to conduct the hearing, hold the meeting or make the inquiry.

Statutory requirements
11(3) A hearing, meeting or inquiry arranged under subsection (2) by a regional association must, except for the determination of the body conducting the hearing, holding the meeting or making the inquiry and the determination of place where the hearing is conducted, the meeting is held or inquiry is made, be conducted, held or made in conformity with the Act or regulation governing it and when so held satisfies all requirements of that Act or regulation in respect thereof and is deemed to have been conducted, held or made by the council of the municipality or the body mentioned in the Act or regulation.

Rates for utilities
12(1) Subject to subsection (2), where a regional association operates a public utility, as that expression is defined in *The Public Utilities Act*, notwithstanding that *Act*, the association may fix and charge a price, rate, fee or other charge for any service, water, power, energy or commodity provided through the public utility and in fixing such price, rate, fee or charge need not apply to or procure any order, assent or approval of The Public Utilities Board in respect thereof, the intention being that the association may impose such price, rate, fee or charge and distribute the revenue therefrom to the member municipalities of the association, in accordance with the agreement creating the association or the supplementary agreements respecting the association, to be used by them as general revenue, and not solely for the purpose of paying the expenses incurred in

This is borrowed from section 548 of *The City of Winnipeg Act*. The intent is that if Winnipeg should enter into an agreement to create a regional association that was to provide public utility services or commodities outside and inside the city, the association should not be subject to conditions that would not apply to the city if it provided those services or commodities only within the city. Subsection 12(2) places a restriction on the application of this exception from the supervision of The Public Utilities Board.

providing the service, water, power, energy or commodity to the purchasers or consumers thereof.

Requirements for accounting

12(2) Subsection (1) does not apply to the operation of a public utility by a regional association unless the association has adopted a service base budgeting system and a full cost accounting system in respect of the operation of the public utility.

Accounting system

13(1) A regional association must establish an accounting system that will enable the costs of the various operations and activities of the association to be separated so that the contributions required to be paid by the members of the association may be ascertained on the basis of the participation by the members in the various operations and activities.

It is anticipated that the activities of a mature regional association may not be applicable equally to all members. Some members may take advantage of all services provided by the association and others may pick and choose from among the various services offered. In such circumstances, a complete division of the costs of each such service must be maintained to ensure that the costs of each such service may be fairly allocated to the members to whom the services are provided.

Separate accounts for separate services

13(2) Where a regional association provides services to some members of the association and not to other members, the association must keep a separate account from which all costs of providing those services must be paid and into which the municipalities that receive the services make contributions to cover those costs as agreed in the agreement creating the association or a supplementary agreement respecting the association.

Reporting

14 Each regional association must provide each of its members

(a) not less frequently than once in every twelve months, with a full and detailed report of its activities; and

(b) within four months after the end of each of its fiscal years, with a copy of its audited financial statements for that fiscal year.

Membership in several associations

15 Membership of a municipality in a regional association does not prevent the municipality from being a member of another regional association and nothing in an agreement may indicate otherwise.

The provisions of *The Corporations Act* prevent a municipality from being included in more than one community development corporation. This section is intended to make it clear that the same restriction is not applicable to membership in regional associations. It may be advantageous for a municipality to belong to one regional association because of the issues being addressed or the services provided by that association, but also to belong to another association because the other one is addressing different issues or providing different services. This might arise because the regions might overlap but the issues of importance in the two regions might be quite different.

Sharing of revenues

16 In an agreement creating a regional association or a supplementary agreement respecting the association, two or more municipalities may agree that specified portions of the taxes levied by a municipality on specified property or specified classes of property in that municipality for a specified term of years will be shared by other municipalities in the regional association in accordance with an express formula.

This has been successful elsewhere in encouraging municipalities to jointly promote development on a regional basis.

No limit on other authority

17 Nothing in this Act limits or restricts the authority granted under any other Act of the Legislature to a municipality to enter into agreements with other municipalities for any purpose, including the carrying out of any activity, the providing of any service or infrastructure or the construction or operation of any works, jointly or in cooperation with the other municipalities.

This section is intended to ensure that this *Act* would not be construed as the only authority for a municipality to enter into agreements with other municipalities.

Regional association is not a community development corporation

18 For greater certainty, a regional association is not a community development corporation and is not bound by the provisions of *The Corporations Act* or of any other *Act* that relate to community development corporations.

Coming into force

19 This *Act* comes into force on the day it receives the royal assent.

Appendix B

Excerpts from the Capital Region Strategy

REGION SUSTAINABLE DEVELOPMENT

from The Capital Region Strategy, "Partners for the Future" (Manitoba Round Table on Environment and Economy, March 1996))

Endorsed by the Capital Region Committee, the Manitoba Round Table on Environment and Economy, and the Province of Manitoba.

Seven goals:

* **To modify planning and management** mechanisms to ensure resources are developed and used in an environmentally sound and economically sustainable manner.
* **To protect natural habitats** and landscapes in the Capital Region, and protect critical natural resources.
* **To promote sustainable development** and diversification of the Capital Region.
* **To ensure the policies** for the Capital Region, Rural and Northern Manitoba are mutually supportive and result in improved and balanced provincial development so all Manitoba benefits.
* **To promote diverse programs** and initiatives that protect and improve the infrastructure and both the natural and built environment of the Capital Region.
* **To promote measures** to achieve the full human potential of the diverse population of the Capital Region in a sustainable manner.
* **To ensure the integration** of sustainable development principles and guidelines in local and provincial decision-making.

Ten policy areas of priority:

1. **Working Partnerships and Regional Citizenship**: Partnerships will be used to improve governance, the environment, economy, and well-being of citizens. People will have meaningful opportunities to participate in decisions affecting them. A sense of regional identity and pride will be developed.
2. **Quality Environment/Sustainable Resources:** The Region's environment and resources will be managed in order to enhance the economy and ensure the well-being of people.
3. **Directed Growth**: Growth will be directed to land able to sustain it. The costs of the growth will be fully paid for by the beneficiaries of the growth.
4. **Sound Physical Infrastructure**: Infrastructure will be environmentally sound and will support regional and local sustainable economic development.
5. **Profitable Niche**: The economic strengths of the province and Region will be marshalled and developed in order to provide long-term socio-economic security for people.
6. **Capable, Flexible and Motivated Workforce**: Youth and workers will be prepared for employment and business opportunities that are available now and in the future, and encouraged to strive for excellence.
7. **Knowledge and Technology**: Knowledge will be acquired, information disseminated, and technology advanced in support of provincial, regional, and municipal sustainable economic development and environmental management.
8. **Fiscal Soundness**: A fiscal environment conducive to attracting sustainable economic development and enhancing the quality of life will be provided.

9. **Social Equity**: People will have equal access to opportunities to participate in the community and work force. Self-reliance, increased independence and respect for others shall be fostered.
10. **Quality of Life**: The quality of life in the Capital Region will be maintained and enhanced.